

## THE BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

### The Bank is committed to:

- Ensuring that the Bank's Board of Directors meets regularly, provides effective leadership and insights in business and functional matters and monitors Bank's performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management processes for policy development, implementation and review, decision-making, monitoring, control and reporting.
- Providing free access to the Board to all relevant information, advices and resources as are necessary to enable it to carry out its role effectively.
- Ensuring that the Chairman has the responsibility for all aspects of executive management and is

accountable to the Board for the ultimate performance of the Bank and implementation of the policies laid down by the Board. The role of the Chairman and the Board of Directors are also guided by the SBI Act, 1955 with all relevant amendments.

- Ensuring that a senior executive is made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by the GOI/RBI and other regulators and the Board, and reports deviations, if any.

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

### Central Board: Role and Composition

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

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

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

The Central Board is headed by the Chairman, appointed under section 19(a) of SBI Act; four Managing Directors are also appointed

members of the Board under section 19(b) of SBI Act. The Chairman and Managing Directors are whole time Directors. As on 31<sup>st</sup> March 2017, there were seven other directors on the Board who are eminent professionals representing Technology, Accountancy, Finance, Economics and Academics. Thus, the Board has five whole time Directors, comprising Chairman and four Managing Directors in office. The composition of the Central Board, as on 31<sup>st</sup> March 2017, was as under:

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

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

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

### Meetings of the Central Board

The Bank's Central Board has to meet a minimum of six times in a year. During the year 2016-17, 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 2016-17

**No. of Meetings held** : 15

**Dates of the Meetings** : 17.05.2016, 27.05.2016, 30.06.2016, 26.07.2016, 12.08.2016, 18.08.2016, 29.09.2016, 27.10.2016, 11.11.2016, 28.12.2016, 25.01.2017, 10.02.2017, 15.03.2017, 24.03.2017 and 30.03.2017

Smt. Arundhati Bhattacharya, Chairman, Shri P. K. Gupta, MD-C&R and Dr. Pushpendra Rai, Director attended all the 15 Meetings.

Name of the Director	No. of Meetings held after nomination/ election/during incumbency	No. of Meetings attended
Smt.Arundhati Bhattacharya, Chairman	15	15
Shri B. Sriram, MD – CBG	15	14
Shri Rajnish Kumar, MD –NBG	15	13
Shri P.K.Gupta, MD-C&R	15	15
Shri V.G. Kannan, MD – A&S (upto 31.07.2016)	04	04
Shri Dinesh K. Khara, MD – A&S (w.e.f 09.08.2016)	11	11
Shri Sanjiv Malhotra	15	14
Shri M.D. Mallya	15	13
Shri Sunil Mehta (upto 15.03.2017)	13	13
Shri Deepak I. Amin	15	10
Shri Tribhuwan Nath Chaturvedi (upto 28.08.2016)	06	03
Dr. Girish K. Ahuja	15	08
Dr.Pushpendra Rai	15	15
Ms. Anjuly Chib Duggal	15	02
Dr. Urjit R. Patel (upto 27.09.2016)	06	03
Shri Chandan Sinha (w.e.f 28.09.2016)	09	06

### 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 2016-17 are as under:

### Attendance of Directors at ECCB Meetings during 2016-17

**No. of Meetings held** : 52

S.No.	Directors	No. of Meetings held after nomination/ election/during incumbency	No. of Meetings attended
1	Smt Arundhati Bhattacharya, Chairman	52	48
2	Shri B. Sriram, MD – CBG	52	46
3	Shri Rajnish Kumar, MD-NBG	52	47
4	Shri P. K. Gupta MD – C&R	52	47
5	Shri V.G. Kannan MD – A&S (upto 31.07.2016)	17	14
6	Shri Dinesh K. Khara, MD – A&S (w.e.f 09.08.2016)	34	32
7	Shri Sanjiv Malhotra	52	33
8	Shri M.D. Mallya	52	37
9	Shri Sunil Mehta (upto 15.03.2017)	50	46
10	Shri Deepak I. Amin	52	39
11	Dr. Urjit R. Patel (upto 27.09.2016)	25	0
12	Shri Chandan Sinha (w.e.f 28.09.2016)	27	17
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:			
13	Shri Tribhuwan Nath Chaturvedi (upto 28.08.2016)	21	01
14	Dr. Girish K. Ahuja	52	02
15	Dr. Pushpendra Rai	52	19

## 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 (₹5 crore and above), 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 to arrive at the 'fit and proper' status of candidates filing nominations for election as Directors. While the Remuneration Committee approves payment of incentives to wholetime Directors, based on Govt. of India guidelines and normally meets once in a year, 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, 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 minutes and proceedings containing brief reports on the discussions held at the meetings of the Committees are placed before the Central Board.

### Audit Committee of the Board

The Audit Committee of the Board (ACB) was constituted on 27th July 1994 and last re-constituted on the 30th March 2017. The ACB functions as per RBI guidelines and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the extent that they do not violate the directives/guidelines issued by RBI.

### Functions of ACB

- ACB provides direction as also oversees the operation of the total audit function in the Bank. Total audit function implies the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/external audit, compliance of RBI inspection. It also appoints Statutory Auditors of the Bank and reviews their performance from time to time.
- ACB reviews the Bank's financial, Risk Management, IS Audit Policies and Accounting Policies/Systems of the Bank to ensure greater transparency.
- ACB reviews the internal inspection/audit plan and functions in the Bank – the system, its quality and effectiveness in terms of follow-up. It also, especially, focuses on the follow up of:

- ▶ KYC-AML guidelines;
  - ▶ Major areas of housekeeping;
  - ▶ Compliance of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- It obtains and reviews reports from the Compliance Department in the Bank.
  - ACB follows up on all the issues raised in RBI's Risk Based Supervision under Section 35 of Banking Regulation Act, 1949 and Long Form Audit Reports of the Statutory Auditors and other Internal Audit Reports. It interacts with the external auditors before the finalisation of the annual/quarterly financial accounts and reports. A formal 'Audit Charter' or 'Terms of Reference' of the Audit Committee has been approved by the Central Board and a calendar of Reviews to be submitted to the Audit Committee is also in place, which is updated periodically, the last revision effected from 18th December 2014.

### Composition & Attendance during 2016-17

The ACB has seven members of the Board of Directors as on 31<sup>st</sup> March 2017, 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-Executive Director (Chartered Accountant). The constitution and quorum requirements, as per RBI guidelines, are complied with meticulously. During the year, thirteen meetings of ACB were held to review the various matters connected with the internal control, systems and procedures and other aspects as required in terms of RBI guidelines.

### Dates of Meetings of ACB held & Attendance of Directors during 2016-17

**No. of Meetings held** : 13

**Dates of the Meetings** : 22.04.2016, 26.05.2016, 29.06.2016, 27.07.2016, 11.08.2016, 18.08.2016, 21.09.2016, 20.10.2016, 10.11.2016, 22.12.2016, 11.01.2017, 09.02.2017 and 15.03.2017

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Sunil Mehta, Chairman of the Committee (upto 15.03.2017)	13	13
Dr. Girish K. Ahuja – Member (upto 29.03.2017) and Chairman of the Committee (w.e.f 30.03.2017)	13	08
Shri B. Sriram, MD – CBG	13	11
Shri Rajnish Kumar, MD-NBG (Alternate Member)	03	03
Shri P. K. Gupta, MD – C&R	13	12
Shri M.D. Mallya	13	10
Shri Deepak I. Amin	13	09
Ms. Anjuly Chib Duggal	13	0
Dr. Urjit R. Patel (upto 27.09.2016)	07	3
Shri Chandan Sinha (w.e.f 28.09.2016)	06	5



## Risk Management Committee of the Board

The Risk Management Committee of the Board (RMCB) was constituted on the 23rd

March 2004, to oversee the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The Committee was last reconstituted on the 30th March 2017 and

has, six members. The Senior Managing Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter. During 2016-17, four meetings of the RMCB were held.

### Dates of Meetings of RMCB held & Attendance of Directors during 2016-17

**No. of Meetings held** : 4

**Dates of the Meetings** : 23.06.2016, 14.09.2016, 16.12.2016 and 07.03.2017

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri B. Sriram, MD-CBG	04	04
Shri P.K.Gupta, MD-C&R	04	04
Shri Sanjiv Malhotra	04	04
Shri M.D. Mallya	04	02
Shri Sunil Mehta	04	03
Shri Deepak I. Amin	04	04
Shri Tribhuwan Nath Chaturvedi (up to 28.08.2016)	01	0
Dr. Pushpendra Rai	04	04

## 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 30th March 2017 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 2016-17 and reviewed the position of complaints.

### Dates of Meetings of SRC held & Attendance of Directors during 2016-17

**No. of Meetings held** : 4

**Dates of the Meetings** : 13.04.2016, 20.07.2016, 20.10.2016 and 17.01.2017

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri M.D.Mallya – Chairman of the Committee	04	04
Shri B.Sriram, MD-CBG (Alternate Member)	02	02
Shri Rajnish Kumar, MD – NBG	04	03
Shri V.G. Kannan, MD – A&S (upto 31.07.2016)	02	01
Shri Dinesh K. Khara, MD - A&S (w.e.f. 09.08.2016)	02	02
Shri Sunil Mehta	04	04
Shri Deepak I. Amin (w.e.f. 12.08.2016)	02	02
Dr. Girish K. Ahuja	04	03
Dr. Pushpendra Rai (w.e.f. 12.08.2016)	02	01

Number of shareholders' complaints received so far (during the year): **749**

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

Number of Pending Complaints: \* (\* except 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 (₹5 crore and above)

The Special Committee of the Board for monitoring of Large Value Frauds (₹5 crore and above) (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 30th March 2017 and has, seven members. The Senior Managing Director on the Committee is the Chairman. The Committee met four times during 2016-17:

### Dates of Meetings of SCBMF held & Attendance of Directors during 2016-17

**No. of Meetings held** : 4

**Dates of the Meetings** : 19.05.2016, 24.08.2016, 23.11.2016 and 17.02.2017

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Rajnish Kumar, MD-NBG	04	04
Shri P. K. Gupta, MD – C&R	04	04
Shri Sanjiv Malhotra	04	02
Shri M.D. Mallya	04	02
Shri Sunil Mehta	04	04
Shri Deepak I. Amin	04	02
Shri Tribhuvan Nath Chaturvedi (upto 28.08.2016)	01	0
Dr. Girish K. Ahuja	04	03
Dr. Pushpendra Rai (w.e.f. 12.08.2016)	03	02

## 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 30th March 2017 and has, six members. The

Senior Managing Director on the Committee is the Chairman. During the year 2016-17, four meetings of the Committee were held.

### Dates of Meetings of CSCB held & Attendance of Directors during 2016-17

**No. of Meetings held** : 4

**Dates of the Meetings** : 11.05.2016, 02.08.2016, 02.11.2016 and 03.02.2017

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of meetings Attended
Shri B. Sriram, MD-CBG	04	04
Shri Rajnish Kumar, MD-NBG	04	04
Shri Sanjiv Malhotra (w.e.f. 12.08.2016)	02	0
Shri M.D. Mallya	04	03
Shri Sunil Mehta	04	03
Shri Deepak I. Amin	04	03
Shri Tribhuvan Nath Chaturvedi (upto 28.08.2016)	02	0
Dr. Pushpendra Rai	04	04



## IT Strategy Committee of the Board

With a view to tracking the progress of the Bank's IT initiatives, the Bank's Central Board constituted a Technology Committee of the Board on 26th August 2004. The Technology Committee has been renamed as IT Strategy Committee of the Board w.e.f. 24th October 2011. The Committee has played a strategic role in the Bank's technology domain. The Committee is entrusted with the following roles and responsibilities:

- (i) approving IT strategy and policy documents, ensuring that the management has put an effective strategic planning process in place;
- (ii) ensuring that the IT Organisational structure complements the business model and its direction;
- (iii) ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- (iv) evaluating effectiveness of management's monitoring of IT risks and overseeing the aggregate funding of IT at the Bank level; and
- (v) reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value).

The Committee was last reconstituted on the 30th March 2017 with six members and is chaired by a Non-Executive Director. The Committee met four times during 2016-17.

### Dates of Meetings of ITSC held & Attendance of Directors during 2016-17

**No. of Meetings held** : 4

**Dates of the Meetings** : 06.05.2016, 05.07.2016, 02.12.2016 and 20.02.2017

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Deepak I. Amin, Chairman of the Committee	04	04
Shri B. Sriram, MD-CBG	04	04
Shri P. K. Gupta MD – C&R	04	04
Shri Sanjiv Malhotra	04	01
Shri M.D. Mallya	04	02
Shri Sunil Mehta	04	04

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSRC) was constituted on the

24th September 2014 as a measure of good corporate governance to review the activities undertaken by Bank under Corporate Social Responsibility Policy. The Committee was last reconstituted on the 30th March 2017

and has, six members. The Senior Managing Director on the Committee is the Chairman. During the year 2016-17, four meetings of the Committee were held.

### Dates of Meetings of CSRC held & Attendance of Directors during 2016-17

**No. of Meetings held** : 4

**Dates of the Meetings** : 13.04.2016, 20.07.2016, 14.10.2016 and 17.01.2017

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri B. Sriram, MD – CBG (Alternate Member)	01	01
Shri V.G. Kannan MD – A&S (upto 31.07.2016)	02	0
Shri Rajnish Kumar MD-NBG	04	03
Shri Dinesh K. Khara, MD – A&S (w.e.f 09.08.2016)	02	01
Shri Sanjiv Malhotra	04	04
Shri M.D. Mallya (w.e.f 12.08.2016)	02	01
Shri Sunil Mehta	04	04
Shri Deepak I. Amin	04	03
Dr. Pushpendra Rai	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 30th March 2017. The Committee has four members consisting of (i) the Government

Nominee Director, (ii) the RBI Nominee Director and (iii) two non-executive Directors – Shri M.D. Mallya and Shri Deepak I. Amin. The Committee 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 last reconstituted on 30th March 2017 has six members consisting of Chairman, four Managing Directors and the Govt. Nominee Director. The Committee met four times during the year and reviewed the NPA management and large NPA accounts of the Bank.

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

The Committee was constituted by the Central Board in terms of RBI instructions. The Managing Director-CBG is the Chairman of this Committee and any two independent Directors as members.

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

The Committee met four times during the year 2016-17.

## Nomination Committee of the Board:

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

The Committee was last reconstituted on 15th March 2017.

## Local Boards

In terms of the provisions of SBI Act and General Regulations 1955, at every centre where the Bank has a Local Head Office (LHO), Local Boards/Committees of Local Boards are functional. The Local Boards exercise such

powers and perform such other functions and duties delegated to them by the Central Board. As on 31<sup>st</sup> March 2017, Local Boards at two LHOs and Committees of the Local Boards at the remaining twelve LHOs were functional. The Minutes and Proceedings of the meetings of Local Boards/Committees of Local Boards are placed before the Central Board.

## Sitting Fees

The remuneration of the whole-time Directors and the Sitting Fees paid to the Non-Executive Directors for attending the meetings of the Board/Committees of the Board are as prescribed by GOI from time to time. No remuneration, other than the Sitting Fees for attending Board and/or its Committee meetings, is paid to Non-Executive Directors. With effect from 20th July 2015, Sitting Fees of ₹ 20,000/- is paid for attending the Meetings of the Central Board and ₹ 10,000/- for attending the meetings of Other Board level Committees. Sitting fees are, however, not paid to the Chairman and Managing Directors of the Bank and GOI Nominee/RBI Nominee Directors. Details of Sitting fees paid during the year 2016-17 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 2016-17. 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. Performance Evaluation of the Board: With an objective to continuously improve Board's governance, your Bank had engaged a reputed external consulting organisation, 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 30, 2017. The Performance Evaluation of Independent Directors and Board Level Committees were also carried out by the Central Board.

The evaluation process validated the Board of Directors' confidence in the governance values of the Bank, the synergy that exists amongst the Board of Directors and the collaboration between the Chairman, the Board and the Management.

2. Looking to the varied demands being increasingly placed on the Boards of Banks in terms of governance and key role played by our Bank in the economy, a Strategy Workshop (13th February 2017) "Manthan – 2017" focusing on a short term to medium term road map of the Bank was organised for the Board in Mumbai to enable the Bank to appreciate the recent changes, determine critical areas and to finalise the key action points. A blend of brain storming sessions on various topics related to banking environment with various challenges, opportunities and best practices followed were presented in the Workshop. The Board during the workshop laid down certain strategies and set goals for Business Growth and Key financial parameters and each individual Business Group had to come up with monitorable action plans with specific targets. The detailed Action Plan with specific timelines and ownership and the progress report thereafter giving the status of implementation of the various strategic initiatives shall be put up to the Central Board.

3. In an effort to keep the Directors abreast with better understanding in the areas of Corporate Governance, risk management, risk based supervision, etc., the Bank took the following initiatives during the year:

- (i) Two Non-Executive Directors participated at Programme for Non Executive Directors on the Boards of Public Sector Banks from 29th to 30th November 2016, organised by Centre for Advance Financial Research and Learning (CAFRAL) at Bangalore. The programme objective was to share the latest developments relating to regulation and supervision of commercial Banks, bring in awareness among Non-executive Directors about the various risks involved in functioning of Banks, to upgrade their



- skills and sensitise them about Business Strategies and Risk Management, Asset quality Management, Basel III, Risk Based Supervisions, Corporate Governance.
- (ii) A presentation on Risk rating Process and Risk Assessment Report was made to the Central Board by Ms. Meena Hemchandra, Executive Director, RBI.
- (iii) As a part of Bank's continuing efforts to strengthen Corporate Governance practices, a presentation on Corporate Governance covering inter alia, Board Structures, best practices followed by various Boards and important feature of SEBI, (LODR) Regulations 2015 was made to the Central Board by Shri M. Damodaram, former Chairman, SEBI.
- (iv) A presentation of the Cyber Security Awareness was arranged through M/s. Price Water House Coopers, covering inter alia, rapidly changing Banking, Technology to drive innovation in banking, emerging threats, velocity of security attacks, security agenda for Board, etc. The familiarisation programme of directors is available on our website [www.sbi.co.in](http://www.sbi.co.in) under link Corporate Governance.

### Salary and Allowances paid to the Chairman and Managing Directors in 2016-17

NAME	BASIC	DA	ARREAR	Others	Total
<b>Chairman:</b> Smt. Arundhati Bhattacharya	3135000.00	-245100.00	0.00	6000.00	2895900.00
<b>Managing Directors</b>					
Shri B. Sriram	2997405.00	-238399.50		22000.00	2781005.50
Shri V.G. Kannan (upto 31.07.2016)	313295.00	405616.50	51684.00	0.00	770595.50
Shri Rajnish Kumar	2997405.00	-238399.50		14000.00	2773005.50
Shri P. K. Gupta	2854500.00	-232563.00		2000.00	2623937.00
Shri Dinesh K. Khara	1590193.53	31804.16		0.00	1621997.69

### Attendance at the Annual General Meeting

The last Annual General Meeting (AGM) for the year 2015-16, held on 30th June, 2016, was attended by 8 Directors, viz., Smt. Arundhati Bhattacharya, Shri B. Sriram, Shri V.G. Kanan, Shri Rajnish Kumar, Shri P. K. Gupta, Shri M. D. Mallya, Shri Sunil Mehta and Dr. Pushpendra Roy. AGM (2014-15) was held on 2nd July, 2015 and AGM (2013-14) was held on 3rd July, 2014. All three AGMs were held in Y. B. Chavan Centre, Mumbai at 3.00 p.m. and no Special Resolutions were passed in the previous three AGMs. No resolution was required to be passed through Postal Ballot during the last year and no resolution is proposed to be conducted through Postal Ballot.

### Disclosure

- The Bank has not entered into any materially significant related party transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Bank at large.
- The Bank has complied with applicable rules and regulations prescribed by stock exchanges, SEBI, RBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Bank.

- 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.

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

- 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 2016-17 were published in the leading newspapers of the country. The results were also displayed on the Bank's website ([www.sbi.co.in](http://www.sbi.co.in)). The Annual Report is sent to all shareholders of the Bank. The Bank's website displays, inter alia, official news releases of the Bank, the Bank's Annual Reports, Half-yearly and quarterly results and details of various product offerings. Every year, after the annual and half-yearly results are declared, a Press-meet is held on the same day, in which the Chairman makes a presentation and answers the queries of the media. This is followed by another meeting to which a number of investment analysts are invited. Details of the Bank's performance are discussed with the analysts in the meeting. After declaring quarterly results, press notifications are issued.



## General Shareholder Information

The Annual General Meeting of the Shareholders	: Date: 27th June, 2017, Time 03.00 p.m Venue: Y. B. Chavan Centre, Mumbai
Financial Calendar	: 01.04.2016 to 31.03.2017
Period of Book Closure	: 30.05.2017 to 03.06.2017
Dividend	: ₹2.60 per share
Payment Date	: 16th June, 2017
Listing of securities on Stock Exchanges	: BSE Limited Mumbai and National Stock Exchange, Mumbai. GDRs listed on London Stock Exchange (LSE). Listing fees have been paid upto date to all Stock exchanges, including LSE.
Stock Code/CUSIP	: Stock Code 500112 (BSE) SBIN (NSE) CUSIP US 856552203 (LSE)
Share Transfer System	: Share transfers in Physical form are processed and returned to the shareholders within stipulated time. Quarterly Share transfer audit and reconciliation of Share Capital audit are regularly carried out by an independent Company Secretary.
Registrar and Transfer	: M/s Datamatics Financial Services Limited
Agent and their Unit Address	: Plot B-5, MIDC Part B, Cross Lane, Marol, Andheri (E), Mumbai 400 093.
Board Phone Numbers	: 022-6671 2001 to 10 (between 10 a.m. to 1.00 p.m. and 2 p.m. to 6.00 p.m.)
Direct Numbers	: 022-6671 2198 / 6671 2199
E-mail address	: sbi_eq@dfssl.com
Fax	: (022) 6671 2204
Address for Correspondence	: SBI, Shares & Bonds Department, Corporate Centre, 14th Floor, State Bank Bhavan, Madam Cama Road, Nariman Point, Mumbai 400 021.
Telephone Numbers	: (022) 2274 0841 to 2274 0848
Fax	: (022) 2285 5348
E-mail Address	: gm.snb@sbi.co.in, / investor.complaints@sbi.co.in
Name of the debenture trustees with full contact details (Capital Instruments issued in INR)	: IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai-400 001 Fax Number: 91-22-6631 1776

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

### Investors' Care

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

### Capital Augmentation during FY 2017

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

1. During the financial year 2016-17 the Bank received application money of ₹5680,99,99,766.00 (Rupees five thousand six hundred eighty crore ninety nine lakh ninety nine thousand seven hundred sixty six only) including share premium amount of ₹ 5659,92,72,366.00 (Rupees five thousand six hundred fifty nine crore ninety two lakh seventy two thousand three hundred sixty six only) from Government of India against Preferential Issue of 21,07,27,400 equity shares of ₹1 each to Gol. The equity shares were allotted on 20.01.2017.

We may also add that, your Bank has issued and allotted Basel III compliant additional Tier 1 bonds of INR 2,100.00 crore, on 06.09.2016, INR 2500.00 crore on 27.09.2016 and INR 2500.00 crore on 25.10.2016 by way of private placement. The Instrument has been rated as "CARE AA+" by CARE Ratings and "CRISIL AA+/Stable" by CRISIL Limited. Your Bank also issued Basel III compliant additional Tier 1 bonds for US\$ 300 million on 22.09.2016.

### 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 1,27,01,630 GDRs as on 31<sup>st</sup> March 2017 representing 12,70,16,300 shares.



## Unclaimed Shares

Category of shareholder	No. of Shareholders	Outstanding Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	1,016	2,43,870
Number of shareholders, who approached the Issuer for transfer of shares from the Unclaimed Suspense account during the year	10	1,600
Number of shareholders to whom shares were transferred from the Unclaimed Suspense account during the year	10	1,600
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year	1006	2,42,270

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

## Dividend History/Dividend Distribution Policy

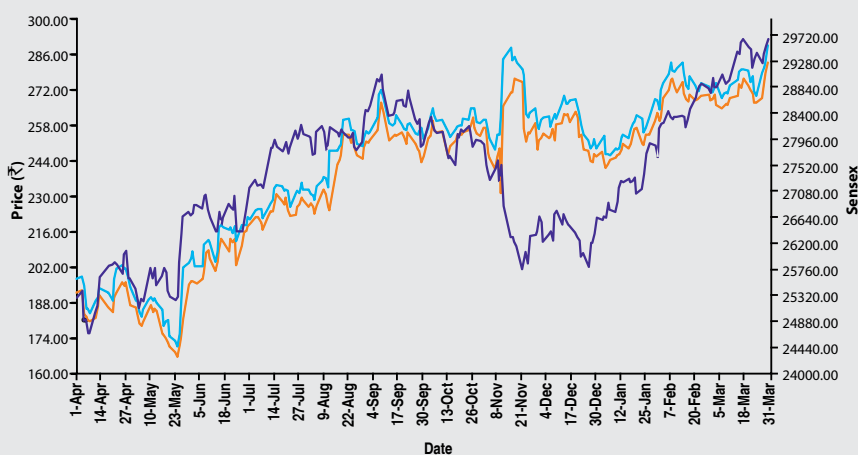
SBI has the distinction of making uninterrupted dividend payment to the shareholders for the last many years.

## Share Price Movement

The movement of the share price and the BSE Sensex/ NSE Nifty is presented in the following tables. The market capitalisation of the Bank's shares had a weightage of 3.4% in BSE Sensex and 2.73% in NSE Nifty as on 31<sup>st</sup> March 2017.

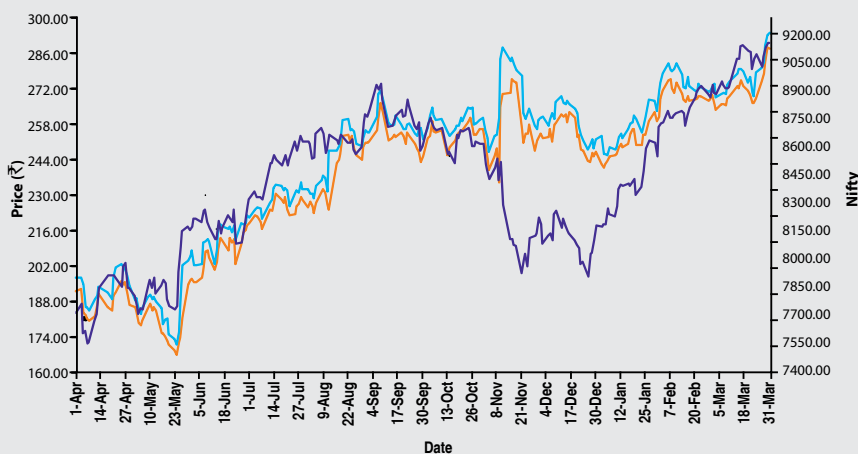
### Stock Performance at BSE

Minimum Price Maximum Price Sensex



### Stock Performance at NSE

Minimum Price Maximum Price Nifty



**Table: Market Price Data**

Months	BSE (INR)		NSE (INR)		LSE (GDR) US\$	
	High	Low	High	Low	High	Low
Apr-16	202.50	180.35	202.55	180.20	30.25	27.50
May-16	205.60	166.60	205.70	166.40	30.15	17.00
Jun-16	221.80	195.40	221.90	195.40	31.80	29.00
Jul-16	235.00	216.55	235.15	216.50	34.20	32.10
Aug-16	260.50	223.20	260.40	223.20	37.65	33.40
Sep-16	271.55	243.50	271.60	243.50	40.00	36.75
Oct-16	264.75	246.10	264.90	245.85	39.10	37.10
Nov-16	288.50	231.00	288.80	235.00	41.20	36.15
Dec-16	269.45	243.10	269.35	243.10	39.50	36.65
Jan-17	288.25	241.10	268.20	241.10	39.60	35.90
Feb-17	282.45	261.00	282.80	261.60	41.30	40.00
Mar-17	294.25	264.50	295.00	264.25	44.75	39.75

Book value per share ₹190.97, Economic Value Added (EVA) ₹ 3,874 crore

**Shareholding Pattern as on 31<sup>st</sup> March 2017**

Sr. No.	Description	% to Total
1	President of India	61.23
2	Non-residents (FIIs/OCBs/NRIs/GDRs)	11.17
3	Mutual Funds & UTI	8.29
4	Private Corporate Bodies	2.70
5	Banks/ FIs/ Insurance Cos., etc.	10.00
6	Others (including Resident Individuals)	6.61
<b>Total</b>		<b>100.00</b>

**Top Ten Shareholders as on 31<sup>st</sup> March 2017**

Sr. No.	Name	% of Shares in Total Equity
1	President of India	61.23
2	Life Insurance Corporation of India - (financial institutions)	8.82
3	HDFC Trustee Company Limited (Mutual Fund)	2.38
4	The Bank of New York Mellon (As Depository To Our GDR)	1.59
5	Reliance Capital Trustee Co. Limited (Mutual Fund)	1.29
6	SBI Mutual Fund (Mutual Fund)	1.13
7	ICICI Prudential Mutual Fund (Mutual Fund)	0.76
8	ICICI Prudential life Insurance Co. Limited (Private Corporate Bodies)	0.75
9	Franklin Templeton Mutual Fund (Mutual Fund)	0.62
10	General Insurance Corporation of India (Financial Institution)	0.52

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

As on 31<sup>st</sup> March 2017, 788,75,73,568 shares representing 98.92% of total equity capital were held in electronic form.

Description	No. Share Holders	No. Shares	Shares %
NSDL	903573	2825667613	35.44
CDSL	487170	5061905955	63.48
Physical	172637	85930874	1.08
<b>TOTAL</b>	<b>1563380</b>	<b>7973504442</b>	<b>100.00</b>



### Distribution Schedule As on 31<sup>st</sup> March, 2017 (Face value of ₹ 1 each)

Range No. of Shares	Total Holders	% to Total Holders	Total Holdings in `	% to Total Capital
1-5000	1556213	99.542	436,937,395.00	5.480
5001-10000	3833	0.245	27,285,006.00	0.342
10001-20000	1394	0.089	19,478,179.00	0.244
20001-30000	426	0.027	10,553,185.00	0.132
30001-40000	190	0.012	6,724,049.00	0.084
40001-50000	122	0.008	5,598,056.00	0.070
50001-100000	288	0.018	20,559,522.00	0.258
100001-ABOVE	914	0.059	7,446,369,050.00	93.390

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

The Bank currently deals in over-the-counter (OTC) currency derivatives and exchange traded currency derivatives. Currency derivatives dealt by the Bank are Forwards, Currency Futures, currency swaps and currency options. Derivatives are used by the Bank, both for trading as well as for hedging of balance sheet items. The hedging products are offered to Bank's customers to hedge their exposures and the Bank also enters into derivative contracts for cover of such exposures. The bank also runs an Option Book in USD/INR, which is managed through various types of loss limits and Greek limits. As on 31<sup>st</sup> March 2017, there is no breach in loss limits or greek limits.

### Derivative transactions carry the following two risks:

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

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

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

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

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

## Annexure I

### Brief Resumes of the Non-Executive Directors on the Board as on 31<sup>st</sup> March 2017

#### Shri Sanjiv Malhotra

(Date of Birth: 1st October 1951)

Shri Malhotra has 42 years of Global Banking and Finance experience in senior positions in Risk Management, Corporate and Investment Banking, Consumer Finance and Micro Enterprise lending, Private Equity.

#### Shri M.D. Mallya

(Date of Birth: 09th November 1952)

Shri Mallya was Chairman & Managing Director of Bank of Maharashtra. Shri Mallya worked towards turnaround of the Bank, more particularly by strengthening Technology, HR and Organisational Structure.

Shri Mallya was also Chairman & Managing Director of Bank of Baroda during May 2008 to November 2012. His inspiring leadership and innovative strategic steps initiated resulted in the Bank achieving excellent performance and receiving wide recognition in the form of many laurels and accolades.

#### Shri Deepak I. Amin

(Date of Birth: 20th April 1966)

Shri Amin holds a B.Tech. in Computer Science from IIT Bombay and M.S. in Computer Science from University of Rhode Island, USA. Mr. Amin was the co-founder and CEO of Covelix, Inc. a Seattle and India based international software consulting (acquired by Emtec Inc.) Prior to this, Mr. Amin was the founder and CEO of vJungle Inc., a web services software infrastructure company, which was acquired

by Streamserve, Inc. Mr. Amin also worked at Microsoft for many years as a lead engineer in Microsoft Windows Networking teams and was a senior engineer in the original Internet Explorer browser team at Microsoft, USA. Mr. Amin is on the Technology Advisory Board of Grameen Foundation of Nobel Laureate Dr. Muhammad Yunus providing scalable financial and technology solutions for improving financial inclusion of the world's poorest women.

#### Dr. Girish Kumar Ahuja

(Date of Birth : 29th May 1946)

Dr. Girish Kumar Ahuja is a Director nominated by the Central Government u/s 19(d) of the SBI Act, w.e.f. 28th January 2016, for a period of three years. Dr. Ahuja is a Chartered Accountant and academician having 45 yrs of consultancy experience in international and domestic taxation, joint ventures, etc. He has expert knowledge in Direct Taxes and having Doctorate in Financial Sector Reforms - Capital Market Efficiency and Port Folio Investment.

#### Dr. Pushpendra Rai

(Date of Birth : 02nd June 1953 )

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

As a member of the Indian Administrative Service for more than 21 years, he was responsible for formulating policy; preparing the program and budget; determining implementation strategies; monitoring implementation; and evaluating staff performance for a diverse set of institutions

like rural and industrial development agencies, power generation and distribution departments, petroleum companies and intellectual property offices. He has also worked as the National Project Director - UNDP/WIPO; Member, Governing Council, National Institute of Design; Member Secretary, Foreign Investment Promotion Council; Executive Director, National Renewal Fund; National Negotiator at WTO/WIPO; and Secretary General, Quality Council of India.

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

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

#### Ms. Anjuly Chib Duggal

(Date of Birth: 27th August 1957)

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

#### 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 Executive Director, Reserve Bank of India.



## 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 31.03.2017 in due compliance with Regulation 26(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

S.No	Name of Director	Occupation & Address	Appointed to Board since	Number of listed Companies including Bank
1	Smt. Arundhati Bhattacharya	Chairman No.5, Dunedin, J.M.Mehta Road, Mumbai – 400 006	07.10.2013	Chairman : 04 Director : 01
2.	Shri B. Sriram	Managing Director M-2, Kinnellan Towers 100A, Napean Sea Road, Mumbai – 400 006	17.07.2014	Director : 01 Committee Member : 01
3.	Shri Rajnish Kumar	Managing Director D-10, Kinnellan Towers 100A, Napean Sea Road, Mumbai – 400 006	26.05.2015	Director : 01 Committee Member : 01
4.	Shri P. K. Gupta	Managing Director M-1, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	01.11.2015	Director : 01 Committee Member : 01
5.	Shri Dinesh K. Khara	Managing Director D-11, Kinnellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	09.08.2016	Director : 04 Committee Member : 01
6.	Shri Sanjiv Malhotra	Chartered Accountant 6, Motabhoy Mansion, 130, Maharishi Karve Marg, Churchgate, Mumbai – 400 020	26.06.2014	Director : 01 Committee Member : 01
7.	Shri M.D. Mallya	Retired Bank Executive C-601 Ashok Towers, Dr. S.S.Rao Marg, Opp. M.G. Hospital, Parel Mumbai – 400 012	26.06.2014	Director : 07 Chairman of Committee:02 Committee Member :04
8.	Shri Deepak I. Amin	Advisor 104 Neel Kanth Tirth, 6th Road Chembur, Mumbai – 400 071	26.06.2014	Director : 01 Committee Member :02
9.	Dr. Girish K. Ahuja	Chartered Accountant, M/s.G.K.Ahuja & Co., E-6A, LGF, Kailash Colony, New Delhi 110 048	28.01.2016	Director : 02 Chairman of Committe : 02 Committee Member :01
10.	Dr. Pushpendra Rai	Development Specialist, (former National & International civil servant) 50, Paschimi Marg, Vasant Vihar, New Delhi-110 057	28.01.2016	Director : 01 Committee Member :01
11.	Ms. Anjuly Chib Duggal GOI Nominee	Secretary, (Financial Services) Ministry of Finance, Government of India, (Banking Division), Jeevan Deep Bldg., Parliament Street New Delhi – 110 001	03.09.2015	Director : 01 Committee Member : 01
12.	Shri Chandan Sinha Reserve Bank of India Nominee	Executive Director Reserve Bank of India Central Office, Shaheed Bhagat Singh Road, Mumbai 400 001	28.09.2016	Director : 01 Committee Member : 01

## ANNEXURE IIA

Total Number of Memberships/Chairmanships held by the Directors on the Boards/  
Board-level Committees of the Bank/Other Companies as on 31.03.2017

## 1. Smt. Arundhati Bhattacharya

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 - <b>Chairman</b> Board Committee to Monitor Recovery - <b>Chairman</b>
2	State Bank of Patiala	Chairman	
3	State Bank of Bikaner & Jaipur	Chairman	
4	State Bank of Hyderabad	Chairman	
5	State Bank of Mysore	Chairman	
6	State Bank of Travancore	Chairman	
7	SBI Global Factors Ltd.	Chairman	
8	SBI Pension Funds Pvt. Ltd.	Chairman	
9	SBI Life Insurance Company Ltd.	Chairman	
10	SBI Funds Management Pvt. Ltd.	Chairman	
11	SBI Cards & Payment Services Pvt. Ltd.	Chairman	
12	SBI General Insurance Company Ltd.	Chairman	
13	SBI DFHI Ltd.	Chairman	
14	SBI Capital Markets Ltd.	Chairman	
15	SBI Foundation	Chairman	
16	Export-Import Bank of India	Director	
17	Indian Bank's Association	Deputy Chairman	
18	National Institute of Bank Management	NIBM Governing Board – <b>Member</b>	NIBM Finance Committee – <b>Chairman</b> NIBM Standing Committee – <b>Member</b>
19	Indian Institute of Banking & Finance	Member, Governing Council	
20	Institute of Banking Personnel Selection	Member, Governing Board	
21	IIT- Kharagpur	Member, Governing Board	
22	Federation of Indian Chambers of Commerce and Industry (FICCI)	-	Committee on Banking & Financial Institutions 2015 - <b>Chairman</b>
23	IIM -Sambalpur	Chairman, Governing Board	

## 2. Shri B. Sriram

S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Managing Director	Executive Committee of the Central Board - <b>Member</b> Audit Committee of the Board – <b>Member</b> Risk Management Committee of the Board – <b>Chairman</b> Board Committee to Monitor Recovery – <b>Member</b> IT Strategy Committee of the Board – <b>Member</b> Customer Service Committee of the Board – <b>Chairman</b> Committee to Review the Identification of Wilful Defaulters / Non Co-Operative Borrowers - <b>Chairman</b>



### 3. Shri Rajnish Kumar

S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Managing Director	Executive Committee of the Central Board - <b>Member</b> Special Committee of the Board for Monitoring of Large Value Frauds – <b>Chairman</b> Customer Service Committee of the Board – <b>Member</b> Stakeholders Relationship Committee – <b>Member</b> Board Committee to Monitor Recovery – <b>Member</b> Corporate Social Responsibility Committee – <b>Chairman</b>
2	SBI Life Insurance Co. Ltd.	Director	
3	SBI Foundation	Director	
4	SBI General Insurance Co. Ltd.	Director	
5	SBI Infra Management Solutions P. Ltd.	Director	

### 4. 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 - <b>Member</b> Audit Committee of the Board – <b>Member</b> Risk Management Committee of the Board – <b>Member</b> Special Committee of the Board for Monitoring of Large Value Frauds – <b>Member</b> Board Committee to Monitor Recovery – <b>Member</b> IT Strategy Committee of the Board – <b>Member</b>

### 5. 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 - <b>Member</b> Stakeholders Relationship Committee of the Board – <b>Member</b> Board Committee to Monitor Recovery – <b>Member</b> Corporate Social Responsibility Committee - <b>Member</b>
2	State Bank of Patiala	Director	Directors Committee - <b>Member</b>
3	State Bank of Bikaner & Jaipur	Director	Directors Committee - <b>Member</b>
4	State Bank of Hyderabad	Director	Directors Committee - <b>Member</b>
5	State Bank of Mysore	Director	Directors Committee - <b>Member</b>
6	State Bank of Travancore	Director	Directors Committee - <b>Member</b>
7	SBI Capital Markets Ltd.	Director	Audit Committee of the Board – <b>Member</b> Committee of Directors – <b>Chairman</b> HR Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b> Risk Management Committee – <b>Member</b> Corporate Social Responsibility - <b>Member</b>
8	SBICAP Securities Pvt. Ltd.	Director	Risk Management Committee – <b>Member</b> Corporate Social Responsibility - <b>Member</b>
9	SBICAP Ventures Ltd.	Director	
10	SBICAP (U.K.) Ltd.	Director	
11	SBI Cap Singapore Ltd.	Director	



S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
12	SBI DFHI Limited	Director	Audit Committee of the Board – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b> HR Committee – <b>Member</b> Risk Management Committee – <b>Member</b> Corporate Social Responsibility – <b>Member</b>
13	SBI General Insurance Company Ltd.	Director	Banc assurance Committee – <b>Member</b> Audit Committee – <b>Member</b> Investment Committee – <b>Member</b> Policyholder Protection Committee – <b>Member</b> Risk Management Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b> Technology Committee – <b>Member</b> Corporate Social Responsibility Committee – <b>Member</b>
14	SBI Global Factors Ltd.	Director	Audit Committee of the Board – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b>
15	SBI Life Insurance Co. Ltd.	Director	Audit Committee – <b>Member</b> Risk Management Committee – <b>Member</b> Investment Committee – <b>Member</b> Corporate Social Responsibility Committee – <b>Member</b> Policyholder Protection Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b> Board with Profit Committee – <b>Member</b>
16	SBI Funds Management Pvt. Ltd.	Director	HR Sub-Committee – <b>Member</b>
17	SBI Pension Funds Pvt. Ltd.	Director	Audit Committee of the Board – <b>Member</b>
18	SBI Cards & Payment Service Pvt. Ltd.	Director	Advisory Committee – <b>Member</b>
19	SBI Foundation	Director	Executive Committee – <b>Member</b>

## 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 – <b>Member</b> Risk Management Committee of the Board – <b>Member</b> IT Strategy Committee of the Board – <b>Member</b> Special Committee of the Board for Monitoring of Large Value Frauds – <b>Member</b> Customer Service Committee of the Board – <b>Member</b> Corporate Social Responsibility Committee – <b>Member</b>
2.	Kotak AMC	Director	-
3	Fair First Insurance Ltd. (Sri Lanka)	Director	-

## 7. Shri M.D. Mallya

S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board – <b>Member</b> Audit Committee of the Board – <b>Member</b> Stakeholders Relationship Committee – <b>Chairman</b> Risk Management Committee of the Board – <b>Member</b> IT Strategy Committee of the Board – <b>Member</b> Special Committee of the Board for Monitoring of Large Value Frauds – <b>Member</b> Customer Service Committee of the Board – <b>Member</b> Remuneration Committee of the Board – <b>Member</b> Corporate Social Responsibility Committee – <b>Member</b>



S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
2	India Infradebt Limited	Director	Audit Committee – <b>Member</b> Board Credit & Risk Committee – <b>Chairman</b> Board Governance, Remuneration & Appointment Committee – <b>Member</b> Corporate Social Responsibility Committee - <b>Member</b>
3	Nitesh Estates Ltd.	Director	Audit Committee - <b>Member</b> Nomination & Remuneration Committee - <b>Member</b>
4	Emami Limited	Director	-
5	IFMR Rural Channel & Services (P) Ltd.	Director	Audit Committee – <b>Chairman</b> Nomination & Remuneration Committee - <b>Member</b>
6	Seven Islands Shipping Ltd.	Director	Audit Committee – <b>Member</b> Nomination & Remuneration Committee - <b>Member</b>
7	Pudhuaaru Financial Services P. Ltd.	Director	Audit Committee – <b>Member</b> Nomination & Remuneration Committee - <b>Member</b>
8	Interglobe Aviation Ltd.	Director	Audit Committee – <b>Chairman</b> Nomination & Remuneration Committee – <b>Member</b> Compensation Committee - <b>Member</b>
9	Coffee Day Enterprises Ltd.	Director	-
10	Milestone Capital Advisors Ltd.	Director	-

## 8. Shri Deepak I. Amin

S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Executive Committee of the Central Board - <b>Member</b> Audit Committee of the Board - <b>Member</b> Risk Management Committee of the Board – <b>Member</b> IT Strategy Committee of the Board – <b>Chairman</b> Special Committee of the Board for Monitoring of Large Value Frauds – <b>Member</b> Customer Service Committee of the Board – <b>Member</b> Stakeholders Relationship Committee – <b>Member</b> Remuneration Committee of the Board – <b>Member</b> Corporate Social Responsibility Committee - <b>Member</b>
2	Radian Advisors P. Ltd.	Director	-
3	Five Villages Enterprises LLP (Partnership firm)	Partner	-

## 9. 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 – <b>Chairman</b> Special Committee of the Board for Monitoring of Large Value Frauds – <b>Member</b> Stakeholders Relationship Committee – <b>Member</b> Nomination Committee of the Board - <b>Chairman</b>
2	Flair Publications P. Ltd	Director	-
3	Devyani International Ltd.	Director	-
4	Varuna Beverages Ltd	Director	Audit Committee – <b>Chairman</b> Nomination & Remuneration Committee - <b>Member</b>
5	Devyani Food Street P. Ltd.	Director	-

**10. Dr. Pushendra Rai**

S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Risk Management Committee of the Board – <b>Member</b> Special Committee of the Board for Monitoring of Large Value Frauds – <b>Member</b> Customer Service Committee of the Board – <b>Member</b> Stakeholders Relationship Committee – <b>Member</b> Corporate Social Responsibility Committee – <b>Member</b> Nomination Committee of the Board – <b>Member</b>

**11. Ms. Anjuly Chib Duggal**

S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	State Bank of India	Director	Audit Committee of the Board – <b>Member</b> Board Committee to Monitor Recovery – <b>Member</b> Remuneration Committee of the Board – <b>Member</b>
2	Reserve Bank of India	Director	-
3	National Financial Holdings Company Ltd	Director	-

**12. Shri Chandan Sinha**

S.No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member
1	Reserve Bank of India	Executive Director	-
2	State Bank of India	Director	Executive Committee of the Central Board – <b>Member</b> Audit Committee of the Board – <b>Member</b> Remuneration Committee of the Board – <b>Member</b> Nomination Committee of the Board – <b>Member</b>

(Note : Executive Committee of the Central Board consist 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<sup>st</sup> March 2017

S. No.	Name of Director	No. of Shares
1.	Smt. Arundhati Bhattacharya	2,000
2.	Shri B. Sriram	500
3.	Shri Rajnish Kumar	Nil
4.	Shri P.K.Gupta	4,900
5.	Shri Dinesh Kumar Khara	3,100
6.	Shri Sanjiv Malhotra	32,926
7.	Shri M.D. Mallya	5,000
8.	Shri Deepak I. Amin	5,000
9.	Dr. Girish K. Ahuja	2,000
10.	Dr. Pushendra Rai	Nil
11.	Ms. Anjuly Chib Duggal	Nil
12.	Shri Chandan Sinha	500



## Annexure IV

Details of Sitting Fees paid to Directors for attending Meetings of the Central Board and Board-Level Committees during 2016-17

S. No.	Name of Director	Meetings of Central Board (₹)	Meetings of Other Board Level Committees (₹)	Total (₹)
1	Shri Sanjiv Malhotra	280000	450000	730000
2	Shri M.D. Mallya	260000	660000	920000
3	Shri Sunil Mehta	260000	840000	1100000
4	Shri Deepak I. Amin	200000	680000	880000
5	Shri Tribhuvan Nath Chaturvedi	60000	10000	70000
6	Dr. Girish K. Ahuja	160000	170000	330000
7	Dr.Pushpendra Rai	300000	360000	660000

## ANNEXURE V

### AFFIRMATION OF COMPLIANCE WITH THE BANK'S CODE OF CONDUCT (2016-17)

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2016-17.

ARUNDHATI BHATTACHARYA  
CHAIRMAN

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

- The Board** - As the Bank has an Executive Chairman, this is not applicable.
- Shareholders Rights** - Bank publishes its half yearly financial results in the newspapers having nationwide circulation. The half- yearly financial result and significant events are uploaded on the Bank's website. The Bank, however, does not send the half-yearly results to each household of shareholders.
- Modified Opinion(s) in audit report** - There is no audit modification in the financial statements of the Bank for the financial year ended on March 31, 2017.
- Separate post of chairperson and chief executive officer** - The appointment of the Chairman and the four Managing Directors is as per the provisions of the SBI Act, 1955.
- Reporting of Internal Auditor** - The Internal Auditor (Deputy Managing Director Inspection & Management Audit) report directly to the Audit Committee of the Board.

# Auditors' Certificate on Corporate Governance

To  
The Members,  
**State Bank of India**

We, Varma & Varma, Chartered Accountants (Firm's Registration No.: 004532S), as Statutory Auditors of STATE BANK OF INDIA ("the Bank"), having its Corporate Centre at State Bank Bhavan, Madame Cama Road, Mumbai, Maharashtra 400 021, have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on March 31, 2017, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period April 1, 2016 to March 31, 2017.

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

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

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

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

Place : Kolkata,  
Date : May 19, 2017

**CHERIAN K. BABY**  
Partner  
Membership No.16043



# Business responsibility report

**About the Business Responsibility Report:**

Business Responsibility Report of the Bank, is published on an annual basis since FY2012-13.

Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/10/2015 dated 4th November, 2015 mandates the inclusion of Business Responsibility Report (BRR) as part of the Annual Report for Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) at BSE and NSE. The Bank's Sustainability Report which contains the Business Responsibility Report for the financial year ended 31st March, 2017 has been hosted on the Bank's website [www.sbi.co.in](http://www.sbi.co.in) under the link Investors Relations. Any shareholder interested in obtaining a physical copy of the same may write to the Bank (email Id: [gm.snb@sbi.co.in](mailto:gm.snb@sbi.co.in) and postal address: General Manager, Shares & Bonds Department, State Bank of India, Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021)