

Secretarial Audit Report

For the financial year ended March 31, 2022

Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 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 March 31, 2022 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 March 31, 2022 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 and Sweat Equity) Regulations, 2021#;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 read with the Companies Act, 2013 and dealing with client#;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
 - 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, 2018;

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 in respect of the following from September 01, 2021 due to omission of the proviso to Regulation 15 (2) (b) of the Listing Regulations:

- a) The Bank did not have the requisite number of Independent Directors in its Central Board in terms of Regulation 17(1) of the Listing Regulations. Further, the Central Board did not have a Woman Director and an Independent Woman Director as required under Regulation 17(1)(a) of the Listing Regulations.
- b) The Bank did not have the requisite number of Independent Directors in its Audit Committee till December 07, 2021 as required under Regulation 18(1) of the Listing Regulations. However, the Audit Committee of the Bank comprised of five (05) Directors, including four (04) Independent Directors as on March 31, 2022 in compliance with the aforementioned regulation.

We further report that -

Subject to the foregoing, the Central Board 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 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 period under review, the Bank has undertaken following events/actions:

- i) The Bank has issued and allotted Basel III compliant debt instruments in the nature of debentures qualifying as AT 1 Capital of the Bank, amounting to ₹13,974 Crores (Rupees Thirteen Thousand Nine Hundred and Seventy Four Crores only).
- ii) The Bank has redeemed/exercised call option on AT 1 Bonds of ₹7,100 Crores (Rupees Seven Thousand and One Hundred Crores only) and Tier 2 Bonds of ₹1,000 Crores (Rupees One Thousand Crores only); the total bond redemptions aggregating to ₹8,100 Crores (Rupees Eight Thousand and One Hundred Crores only).
- iii) The Bank concluded the issue of USD 300 Mio Senior Unsecured Fixed Rate Notes having maturity of 5 years under Rule 144A/Regulation-S of the U.S. Securities Act, 1933. The Bonds were issued through the Bank's London Branch on January 26, 2022 and are listed on Taipei

Exchange (TPEX), Singapore Stock Exchange and India International Exchange, GIFT City.

- iv) The Reserve Bank of India ("RBI") has levied monetary penalties aggregating to ₹2.5 Crores (Rupees Two Crores and Fifty Lakh only) on the Bank, vide its letters dated July 06, 2021, October 18, 2021 and November 26, 2021, for failure to ensure taking utmost care about data accuracy and integrity while submitting the data on large credit (through CRILC portal) to the RBI, for non-compliance with the directions contained in RBI (Frauds classification and reporting by commercial banks and select FIs) Directions, 2016 and for contravention of provision of sub section (2) of Section 19 of the Banking Regulation Act, 1949, respectively.

For **Bhandari & Associates**
Company Secretaries

S. N. Bhandari

Partner
FCS No.: 761; C P No.: 366
Mumbai: May 13, 2022
ICSI UDIN: F000761D000313491

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, 2022 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 13, 2022
ICSI UDIN: F000761D000313491

Certificate of Non Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
State Bank of India
State Bank Bhavan,
Madame Cama Road,
Mumbai - 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of State Bank of India (hereinafter referred to as 'the Bank') having Central Office at State Bank Bhavan, Madame Cama Road, Mumbai - 400021, produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its Officers, we hereby certify that none of the Directors on the Central Board of the Bank as stated below for the Financial Year ended March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in the Bank
1	Mr. Dinesh Kumar Khara	06737041	09/08/2016
2	Mr. Challa Sreenivasulu Setty	08335249	20/01/2020
3	Mr. Ashwani Bhatia	07423221	24/08/2020
4	Mr. Swaminathan J.	08516241	28/01/2021
5	Mr. Ashwini Kumar Tewari	08797991	28/01/2021
6	Mr. B. Venugopal	02638597	07/06/2018
7	Dr. Ganesh G. Natarajan	00176393	26/06/2020
8	Mr. Ketan S. Vikamsey	00282877	26/06/2020
9	Mr. Mrugank M. Paranjape	02162026	26/06/2020
10	Mr. Sanjeev Maheshwari	02431173	20/12/2019
11	Mr. Prafulla P. Chhajed	03544734	21/12/2021
12	Mr. Sanjay Malhotra	00992744	16/02/2022
13	Mr. Anil Kumar Sharma	08537123	13/04/2021

Ensuring the eligibility of each Director for their appointment / continuity on the Central Board is the responsibility of the Management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency 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 13, 2022

ICSI UDIN: F000761D000313524

Auditor's Certificate on Corporate Governance

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. This Certificate is issued in accordance with the terms of our engagement letter dated March 28, 2022.
2. We, M/s. Khandelwal Jain and Company, Chartered Accountants, the joint Statutory Central Auditors of State Bank of India ("the Bank") have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) [and (t)] of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management of the Bank is responsible for ensuring that the Bank complies with the conditions of Corporate Governance stipulated in the Listing Regulations. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
5. We have examined the books of account and other relevant records and documents maintained by the Bank for the purpose of providing reasonable assurance on the compliance with

Corporate Governance requirements by the Bank.

6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance and the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"), in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination as above and to the best of the information and explanations given to us and representations provided by the management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C and D of Schedule V to the Listing Regulations during the year ended March 31, 2022 except that:
 - a) The Bank did not have the requisite number of Independent Directors in its Central Board in terms of Regulation 17(1) of the Listing Regulations. Further, the Central Board did not have a Woman Director and an independent Woman Director as required under Regulation 17(1) (a) of the Listing Regulations.
 - b) The Bank did not have the requisite number of Independent

Directors in its Audit Committee till December 07, 2021 as required under Regulation 18(1) of the Listing Regulations. However, the Audit Committee of the Bank comprised of five (5) Directors including four (4) Independent Directors as on March 31, 2022 in compliance with the aforementioned regulation.

9. 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.

Restriction on Use

10. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling them to understand the requirements of the Listing Regulations related to Corporate Governance, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration Number: 105049W

Shailesh Shah
Partner
Membership No.: 033632
UDIN: 22033632AJEITX6259

Place: Mumbai
Date: May 13, 2022