



भारतीय स्टेट बैंक
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State Bank of India

शेयर आणि बॉन्ड विभाग, कॉर्पोरेट केन्द्र, 14वा माळा, स्टेट बैंक भवन,
मादाम कामा रोड, मुंबई - 400 021.

शेयर आणि बॉन्ड विभाग, कारपोरेट केन्द्र, 14वा तल, स्टेट बैंक भवन,
मादाम कामा रोड, मुंबई - 400 021.

Shares & Bonds Department, Corporate Center, 14th Floor, State Bank Bhavan,
Madame Cama Road, Mumbai-400 021.

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Date : 13th March, 2018

Ref. No. CC/S&B/SA/2732

Asst. Manager
Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G- Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai 400051

Kind Attn.: **Mr. Sandeep Dhamal**

Dear Sir,

Ref : Your email dated 07.03.2018

Sub: News Clarification - "RBI: Imposes Rs 40 lk monetary penalty on SBI for breach of norms on counterfeit notes".

We reference to your email dated 07.03.2018 on captioned subject, we submit as under:

Query	Our Reply
A) Whether such event stated in published news were taking place? If so, you are advised to provide the said information along with the sequence of events in chronological order	<p>RBI in exercise of the powers conferred under Section 47A(1)(c) read with Section (4)(i) of the Banking Regulations Act, 1949 has imposed a penalty of Rs.40 Lakhs on our Bank for non-compliance with the directions issued by RBI on detection and impounding of Counterfeit Notes.</p> <p>Sequence of events:</p> <p>i) RBI during Currency Chest inspection of our two branches i.e. Etah (Delhi Circle) and Mauranipur (Lucknow Circle) during July 12-13, 2013 and December 09 & 10, 2014 respectively found violation of instructions issued by RBI on Detection and Impounding of Counterfeit Notes.</p> <p>ii) Based on the inspection report and other documents, a notice dated 5th January, 2018 was served on the Bank by RBI to show cause why the penalty should not be imposed for non-compliance with directions issued by RBI.</p>

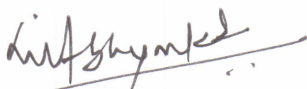


	<p>iii) The notice was replied on 24 January, 2018 and oral submissions were also made to RBI in the personal hearing on 14 February, 2018.</p> <p>iv) RBI has concluded that charges of non-compliance of their directions/guidelines were substantiated and imposed a monetary penalty.</p>
b) The material impact of this article on the Company.	The 'Order' passed by RBI is a regulatory action for non-compliance of their directions by two of our Branches. Relevant systems & procedures for handling of counterfeit notes are already in place, which are being further strengthened to prevent recurrence.
<p>c) Whether company are aware of any information that has not been announced to the Exchanges under Regulation 30 of Listing Regulations.</p> <p>If so, you are advised to provide the said information and the reasons for not disclosing the same to the Exchange earlier as required under Regulation 30 of the Listing Regulations.</p>	The Bank has received the letter from RBI on 06.03.2018 and in terms of Regulation 30 of SEBI (LODR) Regulations, 2015 we have intimated the stock exchanges about the show cause notice on 07.03.2018.

We request you to take above submission on your record.

Thanking you,

Yours faithfully,
For State Bank of India



Sanjay M. Abhyankar
Vice President Compliance &
Company Secretary

