

Key Information Document: Private and Confidential

This Key Information Document is neither a Prospectus nor a Statement in Lieu of Prospectus. This KID is issued by SIDBI in respect of and in conformity with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, read with SEBI master circular dated August 10, 2021 (as amended/modified/updated), the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024 dated January 03, 2024, (as amended from time to time), for issuance of Non-Convertible Securities. KID Ref No. TRMV/03092024/OUT/28727 dated September 03, 2024, is issued with reference to GID Ref No.: SIDBI/TRMV/L001324337; dated: June 14, 2024

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

The principal financial institution established under an Act of Parliament, The Small Industries Development Bank of India Act, 1989]

L.EI: 3358003NTGA2D7D31E14; PAN: AABCS3480N, Date and Place of Incorporation: April 2, 1990, Lucknow

Head Office: SIDBI Tower, 15, Ashok Marg, Lucknow – 226001

Mumbai Office: Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051,

Tel (022) 67531100 Fax (022) 26505790, Website: www.sidbi.in, Email: rmd_mo@sidbi.in, & treasury_frontoffice@sidbi.in

**KEY INFORMATION DOCUMENT ("KID")**

THIS KEY INFORMATION DOCUMENT IS ISSUED BY SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA ('SIDBI' OR 'ISSUER') FOR PRIVATE PLACEMENT OF LISTED, UNSECURED, TAXABLE, REDEEMABLE, RATED, FULLY PAID-UP NON-CONVERTIBLE DEBENTURES, OF THE FACE VALUE OF INR.1,00,000/- (RUPEES ONE LAKH ONLY) AGGREGATING UPTO INR 5,000 CRORE (RUPEES FIVE THOUSAND CRORE) WITH A BASE ISSUE SIZE OF INR 2000 CRORE (RUPEES TWO THOUSAND CRORES) INCLUDING GREEN SHOE OPTION TO RETAIN OVER SUBSCRIPTION UPTO INR 3000 CRORE (RUPEES THREE THOUSAND CRORES) IN RELATION TO AND PURSUANT UPON GID DATED JUNE 14, 2024, BEARING NO. SIDBI/TRMV/L001324337.

All the terms, conditions, information, and stipulations contained in the General Information Document and this Key Information Document issued pursuant thereto are incorporated herein by reference as if the same were set out herein, the Investors are advised to refer to the same. This Key Information Document must be read in conjunction with the General Information Document. All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the General Information Document

GENERAL RISK

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in the issuance. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors of this Key information Document read with General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

CREDIT RATING

Rating Agencies	Date	Instruments	Rating	Rating Actions
CARE Ratings Ltd.	August 29, 2024	NCD	CARE AAA, Stable	Reaffirmed
Crisil Ltd.	August 16, 2024	NCD	CRISIL, AAA/Stable	Reaffirmed

The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The Issuer hereby declares the aforesaid credit rating obtained by it in relation to the Debentures shall be valid on the date of Issue and on the date of listing of Debentures.

ISSUE SCHEDULE

Bid/issue opening date	Bid/issue closing date	Pay-in date	Date of earliest closing of issue, if any	Deemed date of allotment
03/09/2024	03/09/2024	05/09/2024	NA	05/09/2024

Company Secretary & Compliance Officer	Chief Financial Officer	Promoters	Statutory Auditor
Shri Pankaj Kumar Sahu H.O. SIDBI Tower, 15 Ashok Marg, Lucknow- 226001 Tel: (0522) 4259726 Email: pankaj@sidbi.in	Shri Ajit Nath Jha Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051 Tel: (022) 67531203, Email: ajitjha@sidbi.in	President of India (On Behalf of Government of India) and institutions / public sector banks / insurance companies owned or controlled by the Gov.	M/s J Kala & Associates (FRN: 18769W) 504 Rainbow Chambers Near Kandivali Telephone Exchange S. V. Road Kandivali (W), Mumbai-400067 Contact Person: Shri Jayesh Kala Tel: (022) 28625129 Email: admin@jka.co.in

Debenture trustee	Credit Rating Agencies	Registrar and Transfer Agent
SBICAP Trustee Company Ltd. Mistry Bhavan, 4 th Floor 122 Dinshaw Vachha Road Churchgate, Mumbai – 400 020 Contact Person: Mr. Ardhendu Mukhopadhyay Tel: (022) 4325555 Email: corporat@sbicaptrustee.com Website: https://sbicaptrustee.com	CRISIL Ltd. CRISIL House, Central Avenue, Hirandani Business Park, Powai, Mumbai – 400076 Contact Person: Shri Ronak Rathi Tel: (022)-3342 3000 Email: Ronak.Rathi@crisil.com Website: www.crisilratings.com	Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400083 Contact Person: Mr. Ganesh Jadhav Tel: (022)-49186000, Email: debtea@linkintime.co.in Website: www.linkintime.co.in



LISTING

The securities proposed to be issued will be listed on the wholesale debt market segment of the National Stock Exchange of India Limited ("NSE") and in-principle approval received from NSE vide their letter dated June 18, 2024 bearing reference no. Ref. No: NSE/LIST/7799 (Copy enclosed as **Annexure II**). NSE is the designated stock exchange for the issue.

COMPLIANCE CLAUSE IN RELATION TO ELECTRONIC BOOK MECHANISM

The offer of debentures / commercial papers shall be made on the Electronic Book Building Mechanism of BSE, in compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. A copy of this GID along with relevant KID will be uploaded on the EBP platform of the respective stock exchange as specified in the relevant KID.

BIDDING PARAMETERS

Bidding Type: Close Book Bidding at BSE-EBP, Allotment Type: Uniform yield/price Allotment as per bids accepted, Bidding for coupon. Settlement: Through BSE Clearing, Listing on: NSE

ISSUE HIGHLIGHTS

Series	Coupon rate & Coupon Type	Coupon Payment Frequency (If Any)	Redemption Date	Redemption Amount
7.47 % SIDBI 2030-Series II of FY 2024-25	7.47 % p.a./ Fixed	Annual	September 05, 2029	At Par

UNDERWRITING

The present issue is not underwritten

NO SIDE LETTER

The Issuer has no side letter with any debt securities. Any covenants later added shall be disclosed on the stock exchange website where the debt securities is listed.



Issuer absolute responsibility:

Issuer having made all reasonable enquiries, accepts responsibility for and confirms that this issue document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the issue document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

NOTICE TO INVESTORS & DISCLAIMERS

1. GENERAL DISCLAIMER IN RESPECT OF KID:

This Key Information Document has not been filed with or submitted to the SEBI. This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus. This Key Information Document is prepared in conformity with the extant SEBI Debt Regulations. The Issuer confirms that the disclosures made in this Key Information Document are in conformity with the SEBI Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Key Information Document or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Key Information Document for investment in the Issue would be doing so at his own risk.

This Key Information Document together with relevant General Information Document issued by the issuer for each issuance/tranche does not constitute and shall not be deemed to constitute an offer or an invitation to the public to subscribe to the Debt Securities and is strictly issued on private placement basis. This Key Information Document is not intended to be circulated to any person other than an Eligible Investor. This Key Information Document has been prepared solely to provide key information about the Issuer to those investors who are specifically addressed ('Eligible Investors') to subscribe to the Debt Securities in respective issue documents. The person who has legitimate access to the Key Information Document shall maintain confidentiality regarding its contents and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer, also that a selling investor has a responsibility to ensure that sale, if any, does not constitute an offer to the public under applicable law.

Neither this Key Information Document nor any other information supplied in connection with the Debt Securities is intended to provide the basis of any credit or other evaluation and any recipient of this Key Information Document should not consider such receipt a recommendation to purchase any Debt Securities. This Key Information Document does not purport to contain all the information that any Eligible Investor may require. Each Eligible Investor contemplating to purchase any Debt Securities should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer as well as the structure of the Issue. Each Eligible Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debt Securities and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

By subscribing to the Issue, Eligible Investors shall be deemed to have acknowledged that the Issuer does not owe them a duty of care in this respect. Accordingly, none of the Issuer's officers (including principal officer and/or its Directors) or employees shall be held responsible for any direct or consequential losses suffered or incurred by any recipient of this Key Information Document as a result of or arising from anything expressly or implicitly contained in or referred to in this Key Information Document or any information received by the recipient in connection with this Issue.

Any intermediaries to the issue and their agents or advisors associated with the Issue of Non-Convertible Securities have not verified the information contained in the Key Information Document and shall have not have any liability in relation to the information contained in this Key Information Document or any other information provided by the Issuer in connection with the Issue.

The Issuer confirms that, as of the date hereof, this Key Information Document (including the documents incorporated by reference herein, if any) contains material information in the context of the Issue and does not



contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Key Information Document or in any material made available by the Issuer to any potential Eligible investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

The Issuer does not undertake to update the Key Information Document to reflect subsequent events after the date of the Key Information Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Key Information Document nor any Issue made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

No invitation to subscribe to Debt Securities is being made to any persons other than the Eligible Investors to whom this Key Information Document has been sent. Any application by a person who has not been granted access by the issuer to the Key Information Document. Key Information Document and/or Application shall be rejected without assigning any reason.

The Issue of the Debt Securities will be under the electronic book mechanism as required in terms of the SEBI NCS Master Circular. This Key Information Document and the contents hereof are restricted only for the purpose of inviting bids on the BSE Bond-EBP Platform from the Eligible Investors.

Invitations, offers, and allotment of the Debt Securities shall only be made pursuant to this Key Information Document. Save and except as otherwise provided you are not authorized to (1) deliver this Key Information Document or any other information supplied in connection with this Key Information Document or the Debt Securities to any other person; or (2) reproduce in part or full, this Key Information Document in any manner whatsoever. Any distribution or reproduction of this Key Information Document in whole or in part or any public announcement or any announcement to third parties regarding the contents of this Key Information Document and other incidental document in respect of issuance of NCS by the issuer is unauthorized.

Any person who is in receipt of this Key Information Document, including the Eligible Investors, shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer. The recipient agrees to keep confidential all of such information provided (or made available hereafter), including, without limitation, the existence and terms of such transaction, any specific pricing information related to the transaction or the amount or terms of any fees payable to parties in connection with the Debt Securities. This Key Information Document may not be photocopied, reproduced, or distributed to others (other than the advisors of the Eligible Investors) at any time without the prior written consent of the Issuer.

2. DISCLAIMER IN RESPECT OF JURISDICTION:

Issue of debt securities have been/will be made in India to eligible investors who have been/shall be specifically approached by the Issuer. The Key Information Document is not to be construed or constituted as an offer to sell or an invitation to subscribe for debt securities offered hereby to any person to whom it is not specifically addressed. Any person into whose possession this General Information Document and the Key Information Document comes is required to inform himself or herself about, and to observe, any such restrictions. Any disputes arising out of this Issue will be subject to the jurisdiction of the courts and tribunals at Mumbai, Maharashtra. This Key Information Document does not constitute an offer to sell or an invitation to subscribe to the Debt Securities herein, in any other jurisdiction or to any person to whom it is unlawful to make an offer or invitation.

3. DISCLAIMER IN RESPECT OF THE SECURITIES & EXCHANGE BOARD OF INDIA AND/OR STOCK EXCHANGES:

Issuance of Debt Securities on private placement basis under this Key Information Document is proposed to be



listed on the NSE and copy of this Key Information Document will be filed with the NSE in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. **IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE KEY INFORMATION DOCUMENT TO SEBI OR NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE KEY INFORMATION DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE/ SEBI; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS KEY INFORMATION DOCUMENT TO BE LISTED ON THE NSE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS PROMOTERS, ITS MANAGEMENT.** Eligible Investor who desires to apply for or otherwise acquire Debt securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

4. **DISCLAIMER OF THE ARRANGER TO THE ISSUE:**

This Key Information Document in respect of the Debt Securities proposed to be issued by the Issuer through EBP platform of the Stock Exchange, Issuer add arrangers registered with the Stock Exchange with a limited role of Arranger(s) for marketing, bidding for (wherever applicable and authorized) and placement of the Debt securities of the Issuer on the basis of this Key Information Document and relevant General Information Document. The Issuer has prepared this Key Information Document, and the Issuer is solely responsible for its contents and the truth, accuracy and completeness of all the information provided in this Key Information Document. Arrangers is not responsible for preparing, clearing, approving, scrutinizing, or vetting this Key Information Document, or the due diligence or for verification of the accuracy, truth, correctness, reliability, fairness or completeness of the contents of this Key Information Document. The Arrangers have neither scrutinized or vetted nor have they conducted any due diligence, review, or verification of or inquiry on the contents of this Key Information Document.

5. **DISCLAIMER IN RESPECT OF THE CREDIT RATING AGENCY:**

- A. **CARE:** The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
- B. **CRISIL RATINGS LIMITED:** A rating by CRISIL Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Our ratings are based on information provided by the issuer or obtained by CRISIL ratings from sources it considers reliable. CRISIL ratings does not guarantee the completeness or accuracy of the information on which ratings is based. A rating by CRISIL Ratings is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL ratings has a practice of keeping all of its ratings under surveillance and ratings are revised as and when the circumstances so warrant. CRISIL Ratings is not responsible for any errors and specially states that it has no financial liability whatsoever to the subscriber /users/transmitter/ distributors of its ratings. CRISIL Ratings criteria are available



without charge to the public on the website www.crisiliratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company /entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800-267-1301.

6. DISCLAIMER OF THE TRUSTEE:

Investors should carefully read and note the contents of the Key Information Document. Each Eligible investor should make its own independent assessment of the merit of the investment in Debt Securities. Each Eligible investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in Debt Securities and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Each Eligible investors are required to make their own independent evaluation and judgement before making the investment and are believed to be experienced in Investing in debt markets and are able to bear the economic risk of investing in such instruments. The Debenture Trustee does not guarantee the terms of payment regarding the issue as stated in this Key Information Document and/or relevant Key Information Document and shall not be held liable for any default of the Issuer. The Debenture Trustee ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by the subscribers to the Bonds.

7. ISSUANCE ONLY IN DEMATERIALIZED FORM:

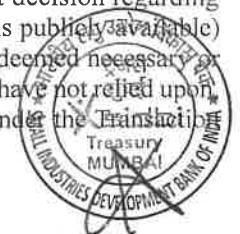
The issuer shall issue Debt Securities in dematerialized form and has made necessary arrangements with National Securities Depository Limited (NSDL) / Centralized Depository Services Limited (CDSL) for the same. Investors shall hold the Bonds in dematerialized form and deal with the same as per the provisions of the Depositories Act, 1996 and rules made there under, as amended from time to time. Investors should, therefore, mention their Depository Participant's name, DP-ID, Client-ID and Beneficiary Account Number at the appropriate place as applicable. SIDBI shall take necessary steps to credit the Bonds allotted to the Depository Account of the investor with the amount of bonds issued. The issuer will make allotment of Bonds to Investors in due course of the application on EBP, the accompanying documents and on realization of the application money. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

8. DISCLAIMER OF THE ISSUER:

The Issuer has confirmed that the disclosures made in this Key Information Document and the relevant Key Information Document are in conformity with SEBI guidelines in force for the time being. This requirement is to facilitate Investors to take an informed decision for making an investment in the proposed Issue. The Issuer accepts no responsibility for statements made otherwise than in the Key Information Document and relevant Key Information Document or any other material issued by or at the instance of the Issuer in connection with the issue of the Debt Securities and that anyone placing reliance on any other source of information would be doing so at their own risk.

9. EACH RECIPIENT GETTING ACCESS TO THIS KEY INFORMATION DOCUMENT ACKNOWLEDGES THAT:

The Eligible Investors AGREE and understand that they: (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of purchasing the Debt Securities, (ii) understand that the Issuer has not provided, and will not provide, any material or other information regarding the Debt Securities except as required in terms of the Transaction Documents, (iii) have not requested the Issuer to provide it with any such material or other information except as required in terms of the Transaction Documents, (iv) have not relied on any investigation that any person acting on their behalf may have conducted with respect to the Debentures, (v) have made their own investment decision regarding the Debt Securities based on their own knowledge (and information they have or which is publicly available) with respect to the Debt Securities or the Issuer, (vi) have had access to such information as deemed necessary or appropriate in connection with purchase of the Debt Securities, (vii) are not relying upon, and have not relied upon, any statement, representation or warranty made by any person, other than those as set out under the Transaction Documents.



Documents, and (viii) understand that, by purchase or holding of the Debt Securities, they are assuming and are capable of bearing the risk of loss that may occur with respect to the Debt Securities, including the possibility that they may lose all or a substantial portion of their investment in the Debt Securities, and they will not look to the Debenture Trustee appointed for the Debentures for all or part of any such loss or losses that they may suffer. Recipients shall not be entitled to use any of the information otherwise than to decide whether to invest in Debt securities. No person including any employee of the Issuer has been authorized to give any information or to make any representation not contained in this Key Information Document. Any information or representation not contained herein must not be relied upon as having been authorized by or on behalf of the Issuer. Neither the delivery of this Key Information Document at any time nor any statement made in connection with the offering of the Debt securities shall under the circumstances imply that any information/representation contained herein is correct at any time subsequent to the date of this Key Information Document. The distribution of this Key Information Document and the offer, sale, pledge or disposal of the Debt Securities may be restricted by Applicable Laws in certain jurisdictions. Persons into whose possession this Key Information Document comes are required by the Issuer to inform themselves about and observe any such restrictions. The sale or transfer of these Debt Securities outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

10. CONFIDENTIALITY:

The information and data contained herein is on a strictly private and confidential basis. By acquiring a copy of this Key Information Document, each recipient agrees that neither it nor any of its employees, agents or advisors will use the information contained herein for any purpose other than evaluating the transactions termed herein and shall not give away to any other party any such information. This Key Information Document must not be photocopied, reproduced, extracted or distributed in any manner whatsoever, in full or in part to any person other than the recipient without the prior written consent of the Issuer. If at any time any such reproduction or disclosure is made and Issuer suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this Key Information Document breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify Issuer from and against any such loss, damage, or liability.

11. FORCE MAJEURE:

Issuer reserves the right to withdraw the Issue at any time or any Tranche under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Issuer shall refund the application money, if any, collected in respect of that Tranche without assigning any reason.



DETAILS OF THE OFFER OF NON-CONVERTIBLE SECURITIES IN RESPECT OF WHICH THE KEY INFORMATION DOCUMENT IS BEING ISSUED

1. DISCLOSURE OF CASH FLOW WITH DATE OF INTEREST/DIVIDEND/ REDEMPTION PAYMENT AS PER DAY COUNT CONVENTION.

The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed	Actual / Actual					
Procedure and time schedule for allotment and issue of securities should be disclosed	Please refer ISSUE Schedule in the front page of KID					
Cash flows emanating from the non-convertible securities shall be mentioned in the issue document, by way of an illustration.						
ILLUSTRATIVE CASH FLOW						
Cash Flows	Record Date	Coupon Payment Date	Day	No of Days	Adjusted Coupon Payment Date	Amt (In Rs.)
1st Coupon	21-Aug-25	05-Sep-25	Friday	365.00	NA	7,470.00
2nd Coupon	21-Aug-26	05-Sep-26	Saturday	365.00	07-Sep-26	7,470.00
3rd Coupon	21-Aug-27	05-Sep-27	Sunday	365.00	06-Sep-27	7,470.00
4th Coupon	21-Aug-28	05-Sep-28	Tuesday	366.00	NA	7,470.00
5th Coupon with principal repayment	21-Aug-29	05-Sep-29	Wednesday	365.00	NA	1,07,470.00
				1826.00		

The settlement dates may be changed, as per the Negotiable Instruments Act.

2. ISSUE DETAILS: SUMMARY TERM SHEET

SECURITY NAME & SERIES	7.47 % SIDBI 2030-Series II of FY 2024-25
ISSUER	Small Industries Development Bank of India (SIDBI)
TYPE OF INSTRUMENT	Unsecured, Redeemable, Non-Convertible Debentures, Taxable, Non-Priority Sector Bonds
NATURE OF INSTRUMENT (SECURED OR UNSECURED)	Unsecured
SENIORITY (SENIOR OR SUBORDINATED)	The bonds rank as senior debt on par with all the other borrowings of the Issuer.
MODE OF ISSUE	On Private Placement Basis
ELIGIBLE INVESTORS	<p>Only the persons who are specifically addressed through a communication by or on behalf of SIDBI directly are eligible to apply for the Bonds. An application made by any other person will be deemed as an invalid application and rejected. The following categories of investors are eligible to apply for this Issue of Bonds,</p> <ul style="list-style-type: none"> ➤ Scheduled Commercial Banks/ Commercial Bank ➤ Urban / Central / State / District / Primary Co-operative Banks ➤ Regional Rural Banks, Land Development Banks ➤ Mutual Fund Houses ➤ Insurance Companies ➤ Public Financial Institutions ➤ Non-Banking Financial Companies ➤ Statutory Corporations, Companies, Body Corporates ➤ Trusts including Port Trusts and Association of Persons which are authorized to Invest in bonds ➤ Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds ➤ Other Government / Non-Government Agencies / Boards



	<p>/Institutions.</p> <ul style="list-style-type: none"> ➤ Individuals (excluding Minors & NRIs) to whom this Disclosure Document is specifically addressed ➤ Foreign Institutional Investors (FIIs) as per SEBI / RBI regulations <p>Note: The above list is only illustrative and not exhaustive. Investors should check about their eligibility before making any investment</p>
LISTING (NAME OF STOCK EXCHANGE(S) WHERE IT WILL BE LISTED AND TIMELINE FOR LISTING)	<p>In terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Issue will be listed on NSE within 03 days from the date of bidding.</p> <p>Delay in Listing: pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing); and be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.</p>
RATING OF THE INSTRUMENT	Please refer front page of this KID
ISSUE SIZE	<p>Aggregate total issue size not exceeding Rs.5000 crores with a base issue size of Rs.2000 crores and a green-shoe option to retain oversubscription up to Rs.3000 crores.</p> <p>[Issued Amount Rs.5000 crores]</p>
MINIMUM SUBSCRIPTION	INR 1 lakh only and in multiple of One Debt Securities thereafter. The entire subscription amount is required to be paid with the application, or as more particularly specified under issue details of the this Key Information Document.
OPTION TO RETAIN OVERSUBSCRIPTION (AMOUNT)	Yes. Green-shoe option to retain oversubscription upto Rs.3000 crores.
OBJECTS OF THE ISSUE/PURPOSE FOR WHICH THERE IS REQUIREMENT OF FUNDS	To utilize the entire proceeds for extending financial assistance to MSMEs or for any other purpose as laid down in the SIDBI Act, 1989, as amended from time to time.
IN CASE THE ISSUER IS NBFC AND THE OBJECTS OF THE ISSUE ENTAIL LOAN TO ANY ENTITY WHO IS A GROUP COMPANY THAN DISCLOSURE TO BE MADE IN THE FOLLOWING FORMAT	Not Applicable
DETAILS OF THE UTILIZATION OF THE PROCEEDS	The proceeds will be utilized for normal business activities of SIDBI and for such other purposes as may be decided by SIDBI's Board and as permissible under the SIDBI Act, 1989.
STEP UP/STEP DOWN COUPON RATE	Not Applicable
COUPON/DIVIDEND PAYMENT FREQUENCY	Annually as per cash flow schedule
COUPON/DIVIDEND PAYMENT DATES	Annually as per cash flow schedule
CUMULATIVE / NON-CUMULATIVE, IN CASE OF DIVIDEND	Not Applicable
COUPON TYPE (FIXED, FLOATING OR OTHER STRUCTURE)	Fixed



DAY COUNT BASIS	Simple Interest for each of the interest periods shall be computed on an actual-by-actual number of days in a year basis on the Face Value of principal outstanding on the Bonds at the respective Coupon rate rounded off to the nearest Rupee.
INTEREST ON APPLICATION MONEY	Not Applicable
DEFAULT INTEREST RATE	In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period. In case of default (including delay) in payment of dividend and/ or redemption of principal on the due dates for NCRPS issued on private placement or public issue, additional dividend of at least @ 2% p.a. over the rate of dividend shall be payable by the issuer for the defaulting period.
TENOR	5 Years from the deemed date of allotment
REDEMPTION DATE	September 05, 2029
REDEMPTION AMOUNT	At par
REDEMPTION PREMIUM /DISCOUNT	At par, on completion of the tenor of the instrument
FACE VALUE	INR 1,00,000 (Rupees One Lakh Only) per bond.
ISSUE PRICE	INR 1,00,000 (Rupees One Lakh Only) per bond.
COUPON /DIVIDEND RATE/TYPE	7.47 % p.a. [fixed] If there is any change in Coupon Rate pursuant to any event then such new Coupon Rate and events which lead to such change shall be disclosed.
MANNER OF BIDDING IN THE ISSUE	Closed Bidding
MANNER OF ALLOTMENT	Uniform Price Allotment
DISCOUNT AT WHICH SECURITY IS ISSUED AND THE EFFECTIVE YIELD AS A RESULT OF SUCH DISCOUNT/ PREMIUM.	Not Applicable
PREMIUM/DISCOUNT AT WHICH SECURITY IS REDEEMED AND THE EFFECTIVE YIELD AS A RESULT OF SUCH PREMIUM/DISCOUNT.	Not Applicable
PUT DATE	Not applicable
PUT PRICE	Not applicable
CALL DATE	Not applicable
CALL PRICE	Not applicable
PUT NOTIFICATION TIME (TIMELINES BY WHICH THE INVESTOR NEED TO INTIMATE ISSUER BEFORE EXERCISING THE PUT)	Not applicable
CALL NOTIFICATION TIME (TIMELINES BY WHICH THE INVESTOR NEED TO INTIMATE ISSUER BEFORE EXERCISING THE CALL)	Not applicable
MINIMUM APPLICATION AND IN MULTIPLES THEREAFTER	One bond/Debt Securities having face value of INR 1,00,000 (Rupees One Lakh Only) per bond and in multiples thereof.
ISSUE TIMING	Please refer front page of this KID



SETTLEMENT MODE OF THE INSTRUMENT	Through Clearing corporation by way of NEFT/RTGS
TRADING MODE OF THE INSTRUMENT	DEMAT
SETTLEMENT CYCLE	As prescribed under SEBI circular dated November 30, 2022.
DEPOSITORY	NSDL/CDSL
HOLIDAY CONVENTION	Please refer GID
DISCLOSURE OF INTEREST/DIVIDEND/ REDEMPTION DATE	Please refer Illustrative cash flow of this KID
RECORD DATE	Please refer Illustrative cash flow of this KID
ALL COVENANTS OF THE ISSUE (INCLUDING SIDE LETTERS, ACCELERATED PAYMENT CLAUSE ETC.)	As per Debenture Trust Deed.
CREATION OF RECOVERY EXPENSE FUND	Recovery Expense Fund has been created with the NSE Ltd for INR 25,00,000/- on March 09, 2021.
DESCRIPTION REGARDING SECURITY (WHERE APPLICABLE) INCLUDING TYPE OF SECURITY (MOVABLE/ IMMOVABLE/ TANGIBLE ETC.), TYPE OF CHARGE (PLEDGE/ HYPOTHECATION/ MORTGAGE ETC.), DATE OF CREATION OF SECURITY/ LIKELY DATE OF CREATION OF SECURITY, MINIMUM SECURITY COVER, REVALUATION, REPLACEMENT OF SECURITY, INTEREST TO THE DEBENTURE HOLDER OVER AND ABOVE THE COUPON RATE AS SPECIFIED IN THE TRUST DEED AND DISCLOSED IN THE DISCLOSURE DOCUMENTS	Not Applicable
REPLACEMENT OF SECURITY, INTEREST TO THE DEBENTURE HOLDER OVER AND ABOVE THE COUPON RATE AS SPECIFIED IN THE TRUST DEED AND DISCLOSED IN THE ISSUE DOCUMENT	Not Applicable
TRANSACTION DOCUMENTS	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: (a) the Debenture Trust Deed, (b) the Debenture Trustee Agreement, (c) General Information Document (d) this Key Information Document and (e) any other document mutually designated as a 'Transaction Document' by the Trustee and the Issuer.
CONDITIONS PRECEDENT TO DISBURSEMENT	Not Applicable
CONDITION SUBSEQUENT TO DISBURSEMENT	Not Applicable



EVENT OF DEFAULT (INCLUDING MANNER OF VOTING /CONDITIONS OF JOINING INTER CREDITOR AGREEMENT)	<p>The occurrence of any one of the following events shall constitute an “Event of Default” by the Issuer:</p> <ul style="list-style-type: none"> • Default shall have occurred in the Redemption of debentures together with redemption premium, if any, as and when the same shall have become due and payable. • Any default by the Issuer in the payment of any Coupon Rate of debentures, as and when the same shall have become due and payable. • Default shall have occurred in the performance of any material covenants, or any conditions or agreements on the part of the Issuer other than any payment defaults under this Deed or the other Transaction Documents or deeds entered into between the Issuer and debenture holder(s)/Beneficial Owner(s)/ Debenture Trustee, that have not been cured within thirty (30) Business Days of having been notified in writing. • Any default by the Issuer or its subsidiary Issuer caused by its inability to pay Financial Indebtedness, material breach of its obligations under the respective financing documents, will be considered an Event of Default. • Any information given by the Issuer in the Disclosure Documents, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Issuer to debenture holder(s)/ Beneficial Owner(s) for availing financial assistance by way of subscription to debentures is or proves to be materially misleading or incorrect in any material respect or is found to be incorrect and prejudicially impacts debenture holders. • It is or becomes unlawful for the Issuer to perform any of its material obligations under the Transaction Document relating to Debenture outstanding or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect or is alleged by any party to it to be ineffective for any reason and the cessation individually or cumulatively materially and adversely affects the interests of debenture holders under the Transaction Documents; • Any Transaction Document once executed and delivered, ceases to be in full force and effect or becomes unlawful, invalid or unenforceable or fails to provide debenture Trustee and debenture holders/ Beneficial Owners with the interests in the Receivables intended to be created thereby.
CONDITIONS FOR BREACH OF COVENANTS (AS SPECIFIED IN THE DEBENTURE TRUST DEED)	Default shall have occurred in the performance of any material covenants, or any conditions or agreements on the part of the Issuer other than any payment defaults under this Deed or the other Transaction Documents or deeds entered into between the Issuer and debenture holder(s)/Beneficial Owner(s)/ Debenture Trustee, that have not been cured within thirty (30) Business Days of having been notified in writing.
PROVISIONS RELATED TO CROSS DEFAULT CLAUSE	Not Applicable
ROLE AND RESPONSIBILITIES OF DEBENTURE TRUSTEE	Please refer to para 6.35 of the General Information Document read along with Debenture Trust Deed.
RISK FACTORS PERTAINING TO THE ISSUE	Please refer Risk Factor of the General Information document read along with Risk Factor in this Key Information Document
GOVERNING LAW AND JURISDICTION	The Debt Securities are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Mumbai, Maharashtra.



ARRANGERS OF THE ISSUE	Through Electronic Bidding Platform (EBP) of BSE		
	As per SIDBI's Arranger Policy uploaded on EBP for current issue		
	Minimum Quantum for Arrangership: ₹ 100 crore		
	Arrangership Fee: 0.05%		
	Sr	Name	Amt (cr)
	1	AXIS BANK LIMITED	1100
	2	YES BANK	650
	3	HDFC BANK LIMITED	482.85
	4	ICICI BANK	325
	5	SBI CAPITAL MARKETS LIMITED	220
	6	ICICI SECURITIES PRIMARY DEALERSHIP LIMITED	150
7	IDBI CAPITAL MARKETS AND SECURITIES LIMITED	100	
8	TRUST INVESTMENT ADVISORS PRIVATE LIMITED	100	
9	NUVAMA WEALTH MANAGEMENT LIMITED	100	
10	UNION BANK OF INDIA	100	
OTHER CONDITIONS	<ol style="list-style-type: none"> Multiple bids by an investor: Investors are now permitted to place multiple bids in an issue. Allotment on yield-time priority basis: Allotment to the bidders shall be done on the basis of "Yield-time priority". Thus, allotment shall be done first on "yield priority" basis, however, where two or more bids are at the same yield, then the allotment shall be done on "time - priority" basis. Further, if two or more bids have the same yield and time, then allotment shall be done on "pro-rata" basis. Pay-in of funds through clearing corporation of stock exchanges on T+2, where T is the issue day. 		

3. EXPENSES OF THE ISSUE: EXPENSES OF THE ISSUE ALONG WITH A BREAKUP FOR EACH ITEM OF EXPENSE, INCLUDING DETAILS OF THE FEES PAYABLE TO SEPARATELY AS UNDER (IN TERMS OF AMOUNT, AS A PERCENTAGE OF TOTAL ISSUE EXPENSES AND AS A PERCENTAGE OF TOTAL ISSUE SIZE), AS APPLICABLE:

Expense Head	Amount in Rs.	Percentage of total issue expenses	Percentage of total issue size
Depository (NSDI/CDSL)	11,800.00	0.03	0.00
EBP	76,700.00	0.22	0.00
R&T	5,900.00	0.02	0.00
SEBI Listing Fees	5,900.00	0.02	0.00
Stamp Duty	25,00,000.00	7.20	0.01
Arrangership fee	1,96,34,315.00	56.53	0.04
Core Settlement Guarantee fund	1,24,97,792.00	35.98	0.02
Total	3,47,32,407.00	100.00	0.07
Expense Head	Amount in Rs.	Percentage of total issue expenses	Percentage of total issue size
NSE	11,80,000.00	Charged on annual basis.	
Credit Ratings	1,01,48,000.00		
Debenture Trustee fee	23,600.00		



Lead Manager Fees, underwriting commission, Brokerage Selling Commission & Upload Fees, Fees payable to legal advisors, Advertising and Marketing Expense, Printing and distribution expenses are not applicable. The same has been disclosed in the relevant GID.

Those expenses which can be determined after closure of the bidding process shall be disclosed in the final KID.

Certain service provider charges on annual basis hence percentage of total issue expense/ size cannot be issue specific and shall be decided on later date.

4. MATERIAL CHANGES IN RESPECT OF GID BEARING NUMBER SIDBI/TRMV/L001324337 DATED June 14, 2024

I	CHANGE OF DIRECTORS /KMPS, IF ANY	As indicated in sl (5)
II	OTHERS, IF ANY (PLEASE SPECIFY)	1. Quarter ended June 2024 financials. (As indicated in sl (6)) 2. Consequent upon resignation of Shri Vishnu Kumar Sah (Company Secretary and Compliance officer on July 26, 2027, Shri Pankaj Kumar Sahu has been appointed as Company Secretary and Compliance officer.
Note that disclosure in respect of other parameters like credit rating, latest financial statement, material default and litigations etc. forms part of this KID.		

5. Details of change in directors in last three financial years including any change in the current year:

Sr .No.	Name, Designation and DIN	Date of Appointment / Resignation	Date of Cessation (in case of resignation)	Remarks (viz. Reasons for Change etc.)
1	Shri Manoj Mittal, Chairman & Managing Director/ Executive Director (Whole Time Director) DIN -	27-07-2024	NA	Appointed: Government of India, vide its notification dated July 26, 2024, appointed Shri Manoj Mittal as Chairman and Managing Director.
2	Shri Manoj Muttathil Ayyappan, (Joint Secretary, Government Nominee Director / Non Executive /Independent Director DIN:	06-08-2024	NA	Nominated: Government of India, vide its notification dated August 06, 2024, nominated Shri Manoj Muttathil Ayyappan as a Director in the Board of SIDBI
3	Shri Bhushan Kumar Sinha, (Joint Secretary, Government Nominee Director / Non Executive /Independent Director DIN 08135512	06-01-2023	06-08-2024	Cessation: Consequent upon SBI nominating Shri Manoj Muttathil Ayyappan on the Board in place of Shri Bhushan Kumar Sinha , he ceased to be a member of the Board..
4	Shri G. Gopalakrishna, Non Executive /Independent Director (Director Co-opted by the Board of SIDBI) DIN - 06407040	11-08-2018	10-08-2024	Cessation: Term of appointment of Shri G. Gopalakrishna expired on 10-08-2024.

6. FINANCIAL STATEMENT (LIMITED REVIEW/AUDITE) DURING THE STUB PERIOD



STATEMENT SHALL NOT BE MORE THAN SIX MONTHS OLD).

A. Standalone Balance Sheet	30-Jun-24
<u>CAPITAL AND LIABILITIES</u>	
Capital	568.54
Reserves, Surplus and Funds	32,781.48
Deposits	2,06,484.24
Borrowings	2,64,891.16
Other Liabilities and Provisions	15,704.88
Deferred Tax Liability	-
Total	5,20,430.30
<u>ASSETS</u>	
Cash and Bank Balances	23,490.88
Investments	47,776.47
Loans & Advances	4,43,359.16
Fixed Assets	286.04
Other Assets	5,517.75
Total	5,20,430.30
Contingent Liabilities	3,704.14
B. Standalone Profit & Loss Account	
<u>INCOME</u>	
Interest and Discount	9,155.10
Other Income	132.51
Total	9,287.61
<u>EXPENDITURE</u>	
Interest & Financial charges	6,831.61
Operating Expenses	278.25
Provisions & Contingencies	2.47
Total	7,112.33
Profit before Tax	2,175.28
Provision for Income Tax	533.23
Deferred Tax Adjustment [(Asset) / Liability]	7.44
Profit after Tax	1,634.61
Profit brought forward	0
Total Profit / (Loss)	1,634.61
Appropriations	



Transfer to General Reserve	-
Transfer to Special Reserve u/s 36(1)(viii) of The Income Tax Act, 1961	-
Others	-
a)Transfer to Investment Fluctuation Reserve	-
Transfer to Staff Welfare Fund	-
Dividend on Shares	-
Tax on Dividend	-
Surplus in Profit & Loss account carried forward	1,634.61
Total	1,634.61
C. Standalone Cash Flow Statement	
1. Cash Flow from Operating Activities	
Net Profit before tax as per P & L Account	
Adjustments for:	
Depreciation	
Provision for net depreciation in investments	
Provisions made (net of write back)	
Profit on sale of investments (net)	
Profit on sale of fixed assets	
Dividend Received on Investments	
Cash generated from operations	
(Prior to changes in operating Assets and Liabilities)	
Adjustments for net changes in :	
Current assets	
Current liabilities	
Bills of Exchange	
Loans & Advances	
Net Proceeds of Bonds and Debentures & other borrowings	
Deposits received	
Payment of Tax	
Net Cash flow from operating Activities	
2. Cash flow from Investing Activities	
Net (Purchase)/Sale of fixed assets	
Net (Purchase)/sale/redemption of Investments	
Dividend Received on Investments	
Net cash used in Investing Activities	
3. Cash flow from Financing Activities	
Dividend on Equity Shares & tax on Dividend	
Proceeds from issuance of share capital & share premium	

**Cash Flow
Statement not
prepared for
Quarter Ended
June 30, 2024**



Net cash used in Financing Activities	
4. Net increase/(decrease) in cash and cash equivalents	
5. Cash and Cash Equivalents at the beginning of the period	
6. Cash and Cash Equivalents at the end of the period	

Balance Sheet	30-Jun-24
Net Fixed assets	286.04
Current assets	NA
Non-current assets	NA
Total assets	5,20,430.30
Non-Current Liabilities ((including maturities of long term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net))\$	
Other non-current liabilities\$	
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) \$	
Other current liabilities	
Equity (equity and other equity) includes Capital, Reserve, Surplus & Funds	33,350.02
Total equity and liabilities	5,20,430.30
Profit and Loss	
Total revenue	9,287.61
From operations	9,155.10
Other income	132.51
Total Expenses (including Provisions)	7,112.33
Total comprehensive income	NA
Profit / loss (before Tax)	2,175.28
Other comprehensive income	NA
Profit / loss after tax	1,634.61
Earnings per equity share	
(a) basic and	28.75
(b) diluted	28.75
Continuing operations	NA
Discontinued operations	NA
Total Continuing and discontinued operations	NA
Cash Flow	



Net cash generated from operating activities	Cash Statement not prepared for Quarter Ended June 30, 2024
Net cash used in / generated from investing activities	
Net cash used in financing activities	
Cash and cash equivalents	
Balance as per statement of cash flows	
Additional information	
Net worth	30,627.45
Cash and Cash Equivalents	23,490.88
Current Investments	NA
Assets Under Management	NA
Off Balance Sheet Assets	3,704.14
Total Debts to Total assets*	0.51
Debt Service Coverage Ratios	NA
Interest Income including Discounts	9,155.10
Interest Expense	6,831.61
Interest service coverage ratio	NA
Provisioning & Write-offs	2.47
Bad debts to Account receivable ratio	NA
Gross NPA (%)	0.03
Net NPA (%)	0.00
Tier I Capital Adequacy Ratio (%)	18.11%
Tier II Capital Adequacy Ratio (%)	1.05%

*Debt denotes total Borrowings (excluding Deposits)

Annexure- I- Credit Ratings Letter

Annexure- II- Annexure A

Annexure- III- Consent Letter from Debenture Trustee

Annexure- IV- Fees letter to Debenture Trustee

Annexure V- Financial Statements (Quarterly, if any)

कृते भारतीय लघु उद्योग विकास बैंक
For Small Industries Development Bank of India



प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

RL/SIDBILT/333544/NCD/0824/95509/163131650
 August 16, 2024



Mr. Ajit Nath Jha
 General Manager
Small Industries Development Bank of India
 SIDBI, C-11, Z Block, 4th Floor,
 Near Bank of Baroda, Bandra Kurla Complex,
 Bandra (E)
 Mumbai City - 400051

Dear Mr. Ajit Nath Jha,

Re: CRISIL rating on the Rs.70000 Crore Non Convertible Debentures of Small Industries Development Bank of India.

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated July 16, 2024 bearing Ref. no: RL/SIDBILT/333544/NCD/0724/93479/163131650

Rating outstanding on the captioned debt instruments is "CRISIL AAA/Stable" (pronounced as "CRISIL triple A rating" with Stable outlook). Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk..

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Vani Ojasvi
 Associate Director - CRISIL Ratings

Nivedita Shibu
 Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

CRISIL Ratings Limited

A subsidiary of CRISIL Limited, an S&P Global Company
 Corporate Identity Number: U67100MH2019PLC326247

Rating Rationale

December 11, 2023 | Mumbai

Small Industries Development Bank of India 'CRISIL AAA/Stable' assigned to Non Convertible Debentures

Rating Action

Rs.35000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Assigned)
Fixed Deposits	CRISIL AAA/Stable (Reaffirmed)
Rs.35000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.2000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

*Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities*

Detailed Rationale

CRISIL Ratings has assigned its 'CRISIL AAA/Stable' rating to Rs.35,000 crore of Non-Convertible Debentures of Small Industries Development Bank of India (SIDBI) and reaffirmed its 'CRISIL AAA/Stable/CRISIL A1+' ratings on existing debt instruments.

The ratings continue to reflect the support the bank receives from the government of India (GoI) because its pivotal public policy role in India's micro, small and medium enterprises (MSME) sector. The ratings also factor in the robust capitalisation, and healthy resource profile. The asset quality in the direct finance portfolio, though improving, remains weaker than refinance book.

The Reserve Bank of India (RBI) had allotted Rs 15,000 crore to SIDBI under the additional special liquidity facility (SLF) – 1 for on-lending and refinancing to banks and financial entities that sanction loans to MSMEs. Furthermore, the RBI allotted Rs 15,000 crore under SLF-2 to support the liquidity of intermediaries in fiscal 2022 and another Rs 16,000 crore under SLF-3 for innovative schemes to support the short- and medium-term needs of small MSMEs in credit-deficient and aspirational districts.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of SIDBI, and its subsidiaries given the operational, managerial and financial linkages among the entities. Furthermore, the ratings continue to factor in the expectation of strong support from the government.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

Continuation of strong support from the government given SIDBI's key public policy role in India's MSME sector

SIDBI plays an important role in channelling finance to MSMEs and implements government initiatives for MSMEs, which is a major driver for India's manufacturing output. In addition, Micro Units Development and Refinance Agency (MUDRA), which lends to micro/small business entities, has been set up as a wholly owned subsidiary of SIDBI.

SIDBI played a pivotal role in implementing the different schemes of the government and the RBI to support the MSME sector after the pandemic. Since the onset of Covid-19, the RBI has allotted Rs 46,000 crore under three tranches of SLF to support MSMEs. Furthermore, SIDBI enhanced the scope of its current schemes, such as SIDBI Make in India Soft Loan Fund for Micro Small and Medium Enterprises and SIDBI Assistance to Facilitate Emergency response against Coronavirus, to support the MSMEs affected by pandemic-induced lockdowns. Subsequently, SIDBI has been instrumental in implementing schemes like EVOLVE, cluster development scheme, PM Vishwakarma, PM Swanidhi and others which were launched with the objective of supporting the growth, expansion and formalisation of the MSME sector.

The government is likely to continue to support SIDBI given its role as the nodal agency for implementing public policies and channelling credit in the MSME sector.

Robust capitalisation

Capitalisation is supported by sizeable standalone network of Rs 29,973 crore as on September 30, 2023, and Rs 27,810 crore as on March 31, 2023. On a consolidated basis, network was Rs 29,445 crore as on March 31, 2023. Standalone capital adequacy ratio (CAR) was healthy at 17.1% as on September 30, 2023 (19.3% as on March 31, 2023). It stood at 21.1% as on March 31, 2023, on a consolidated basis. Asset-side risks were adequately covered, with a network to net non-performing assets (NPAs) ratio of 3,272 times as on March 31, 2023 on a consolidated basis.

With growth in asset base, borrowings (including deposits) have increased against which the RBI has allowed to increase the leverage to 18 times as on March 31, 2023, from 14 times earlier to meet the refinance requirement. Gearing⁽¹⁾ remains within the regulatory requirement and stood at 6.8 times (consolidated) and 7.2 times (standalone) as on March 31, 2023. Including deposits, the leverage ratio stood at 13.6 times (consolidated) and 13.1 times (standalone) on the same date, respectively. As on September 30, 2023, gearing ratio was 14.3 on a standalone basis.

Healthy and diversified resource profile

Borrowings (including deposits), on a consolidated basis, were Rs 4,00,604 crore as on March 31, 2023 (Rs 2,46,416 crore as on March 31, 2022), of which deposits and bonds/debentures formed 50% and 12%, respectively. Borrowings (including deposits), were Rs 4,28,762 crore as on September 30, 2023. The bank has access to funds at low interest rates under the special refinance schemes of the RBI. Resource profile has been driven by increase in deposits allocated under the MSE refinance fund of SIDBI. Cost of borrowings for the bank stood at 4.1% (based on average of year-end numbers) in fiscal 2023 against 3.0% in fiscal 2022. While there was a slight uptick in the same to 5.2% during six months ended September 30, 2023, SIDBI continues to mobilise funds at competitive rates.

Weakness:

Asset quality for the direct finance portfolio, though improving, remains a monitorable

Asset quality metrics of direct finance portfolio were impacted in prior years owing to slippage of a few large ticket exposures. However, SIDBI wrote off these legacy stressed accounts in fiscal 2022 and since then, NPAs from the direct finance portfolio have been stable and low. As on September 30, 2023, GNPA for the direct finance portfolio stood at 0.29% (standalone) whereas for the indirect finance portfolio – GNPA was 0.01% (standalone) on the same date. At an overall level, GNPA stood at 0.02% on September 30, 2023 as against 0.01% and 0.10% on March 31, 2023 and March 31, 2022.

[1]As per CRISIL Ratings calculation, excluding deposits

Liquidity: Superior

The asset liability maturity profile as on September 30, 2023, is well matched across most buckets except the 0-6 months bucket where there is a negative cumulative gap. This gap is expected to be covered by uninterrupted rollover of liabilities during those respective time buckets. As on September 30, 2023, SIDBI had total liquid investments of Rs 55,121 crore in the form of cash and bank balance (Rs 23,550 crore) and investment in government and other securities (Rs 29,291 crore).

Outlook: Stable

SIDBI is likely to continue to receive operational and funding support from the government and will maintain healthy capitalisation and resource profile over the medium term.

Rating Sensitivity Factors

Downward factors

- Any change in the support philosophy of the GoI or decrease in government shareholding, directly or indirectly (through quasi-government entities), below 51%
- Sharp weakening of the asset quality affecting profitability and capital levels

About the Bank

SIDBI was incorporated as a wholly owned subsidiary of IDBI Ltd in 1990. It is the apex financial institution for the MSME sector. State Bank of India (15.65%), Government of India (20.85%), Life Insurance Corporation of India (13.33%) and National Bank for Agriculture and Rural Development (9.36%) are its majority shareholders.

SIDBI provides refinance to banks, state financial corporations and state industrial development corporations that lend to units in the MSME sector. SIDBI also provides direct finance to the MSME sector by way of long-term loans, working capital facilities and discounting/rediscounting bills of exchange. As on September 30, 2023, SIDBI had three wholly owned subsidiaries: SIDBI Venture Capital Ltd (SVCL), SIDBI Trustee Co Ltd (STCL) and MUDRA. MUDRA was established by the government through a statutory enactment and is responsible for developing and refinancing all institutions that lend to micro/small business entities engaged in manufacturing, trading and service activities.

SIDBI, on a consolidated basis, reported lower profit after tax (PAT) of Rs 3,931 crore on total income (net of interest expense) of Rs 6,845 crore in fiscal 2023, compared with Rs 2,162 crore on total income (net of interest expense) of Rs 3,770 crore in the previous fiscal, on the back of lower net interest margins. Return on assets (RoA) for fiscal 2023 stood at 1.1% (0.9% in fiscal 2023).

Growth in the asset book as well as a rising interest rate cycle benefitted profitability, resulting in higher PAT for six months ended September 30, 2023, at Rs 2,166 crore; against Rs 1,465 crore of PAT reported for the corresponding period of previous fiscal, on a standalone basis. RoA remained stable at 1.0% for the respective periods.

Key Financial Indicators: SIDBI (consolidated)

As on / for the period ended March 31	Unit	2023	2022
Total assets	Rs crore	4,39,252	2,78,880
Total income (net of interest expense)	Rs crore	6,845	3,770
Reported PAT	Rs crore	3,931	2,162
GNPAs	%	0.01	0.13
Overall CAR	%	21.1	26.1
RoA	%	1.1	0.9

Key Financial Indicators: SIDBI (Standalone)

As on/for the period ended March 31	Unit	2023	2022
Total assets	Rs crore	4,02,383	2,47,379
Total income (net of interest expense)	Rs crore	6,079	3,438
Reported PAT	Rs crore	3,344	1,958
GNPAs	%	0.01	0.11
Overall CAR	%	19.3	24.3
RoA	%	1.03	0.89

As on / for the period ended September 30	Unit	2023	2022
Total assets	Rs crore	4,68,472	3,52,599
Total income (net of interest expense)	Rs crore	4,187	2,608
Reported PAT	Rs crore	2,166	1,465
GNPAs	%	0.02	0.07
Overall CAR	%	17.1	20.6
RoA	%	1.0	1.0

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity level	Rating outstanding with outlook
NA	Fixed deposit programme	NA	NA	NA	NA	Simple	CRISIL AAA/Stable
NA	Commercial paper programme	NA	NA	7-365 Days	2000	Simple	CRISIL A1+
NA	Non convertible debenture*	NA	NA	NA	35,000	Simple	CRISIL AAA/Stable
INE556F08KG3	Debentures	18-Jan-2023	@7.59% PER ANNUM	10-Feb-2026	5,000	Simple	CRISIL AAA/Stable

INE556F08KH1	Debentures	22-May-2023	7.43	31-Aug-2026	5,000	Simple	CRISIL AAA/Stable
INE556F08KI9	Debentures	09-Jun-2023	7.44	04-Sep-2026	6,000	Simple	CRISIL AAA/Stable
INE556F08KJ7	Debentures	28-Jun-2023	7.55	22-Sep-2026	3,000	Simple	CRISIL AAA/Stable
INE556F08KK5	Debentures	19-Oct-2023	7.79	19-Apr-2027	3,022	Simple	CRISIL AAA/Stable
INE556F08KL3	Debentures	24-Nov-2023	7.83	24-Nov-2028	4,887	Simple	CRISIL AAA/Stable
NA	Non-Convertible debenture*	NA	NA	NA	8091	Simple	CRISIL AAA/Stable

*Yet to be issued

Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
MUDRA	Full	Subsidiary
SVCL	Full	Subsidiary
STCL	Full	Subsidiary

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT		--		--		--		--	29-12-20	Withdrawn	CRISIL AAA/Stable
Commercial Paper	ST	2000.0	CRISIL A1+	11-01-23	CRISIL A1+	28-12-22	CRISIL A1+	28-12-21	CRISIL A1+	29-12-20	CRISIL A1+	CRISIL A1+
			--	--	24-06-22	CRISIL A1+	--	--	--	--		
Fixed Deposits	LT	0.0	CRISIL AAA/Stable	11-01-23	CRISIL AAA/Stable	28-12-22	CRISIL AAA/Stable	28-12-21	F AAA/Stable	29-12-20	F AAA/Stable	F AAA/Stable
			--	--	24-06-22	CRISIL AAA/Stable	--	--	--	--		
Non Convertible Debentures	LT	70000.0	CRISIL AAA/Stable	11-01-23	CRISIL AAA/Stable		--		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Rating Criteria for Banks and Financial Institutions
CRISILs criteria for rating fixed deposit programmes
CRISILs Criteria for rating short term debt
Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support
CRISILs Criteria for Consolidation

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Shri Gaurav Mahetalia
Assistant General Manager
Small Industries Development Bank of India
SME Development Centre, 4th Floor, Plot C - 11, G - Block,
Bandra-Kurla Complex, Bandra East,
Mumbai
Maharashtra 400051



August 29, 2024

Confidential

Dear Sir,

Credit rating for proposed Debt Issue / Unsecured Redeemable Bonds

Please refer to our letter no. CARE/HO/RL/2024-25/2035 dated July 31, 2024, and your request for revalidation of the rating assigned to the unsecured redeemable bonds of your company, for a limit of Rs.1,12,315.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (₹ crore)	Rating ¹	Rating Action
1.	Unsecured Redeemable Boonds	1,12,315.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.

4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IP A	Details of top 10 investors
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¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

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7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
9. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Khyati Shah
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Encl.: As above



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CIN-L67190MH1993PLC071691

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CIN-L67190MH1993PLC071691

Small Industries Development Bank of India

July 05, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	27,500.00	CARE AAA; Stable	Reaffirmed
Short-term bank facilities	91,995.00	CARE A1+	Reaffirmed
Issuer rating	0.00	CARE AAA; Stable	Reaffirmed
Long-term instruments – RIDF deposits	2,12,000.00	CARE AAA; Stable	Reaffirmed
Unsecured redeemable bonds	1,12,315.00	CARE AAA; Stable	Reaffirmed
Fixed deposit	23,000.00	CARE AAA; Stable	Reaffirmed
Long-term / Short-term instrument – CP CD programme	1,16,000.00	CARE AAA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed ratings assigned to facilities and instruments of Small Industries Development Bank of India (SIDBI) at 'CARE AAA; Stable / CARE A1+'. Ratings continue to factor in SIDBI's position as the apex financial institution (FI) for the promotion and development of the micro, small and medium enterprises (MSME) sector in India. Ratings also consider SIDBI's healthy capitalisation levels, strong resource base, comfortable liquidity profile, and sound asset quality. In addition, ratings factor-in Government of India's (GoI's) and Reserve Bank of India's (RBI's) support in the form of budgetary allocation and continued access to the MSE Refinance Fund ([RIDF] Rural Infrastructure Development Fund) for strengthening the bank's refinancing capabilities. The support from GoI is also in the form of equity contribution, guarantee for foreign currency borrowings, and governance.

The continuation of SIDBI's position as the apex financial institution for the MSME sector, support from GoI and RBI, and the ownership with public sector entities are the key rating sensitivities. Also, SIDBI's capitalisation levels and asset quality will remain key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

Not applicable

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Any material changes in the government support and/or strategic role played by SIDBI in supporting the MSME sector.
- Significant dilution in the ownership by GOI and public sector entities.
- Deterioration in SIDBI's asset quality with gross non-performing asset (GNPA) ratio increasing to more than 3% of the total advances.
- Deterioration in SIDBI's standalone credit profile, including its profitability, liquidity and/or capitalisation metrics.

Analytical approach:

CARE Ratings has adopted standalone approach for analysing SIDBI, while factoring in the expected support from GoI.

Outlook: Stable

Stable outlook factors in the continued support from the GOI, and that SIDBI will maintain healthy capitalisation, asset quality, and resource profile going forward.

Detailed description of key rating drivers:

Key strengths

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Government support and ownership by public sector entities

Being a nodal agency for the development of MSMEs in the country, SIDBI receives continuous support from the GoI and the RBI in the form of budgetary allocation and access to the MSE Refinance Fund from shortfall in priority sector lending (PSL) by the banks. It is owned by public sector banks, financial institutions, and the GoI, with the State Bank of India (SBI; 15.65%), GoI (20.85%), the Life Insurance Corporation of India (LIC; 13.33%), and the National Bank for Agriculture and Rural Development (NABARD; 9.36%), being the major shareholders.

The GoI has nominated Dr Rajneesh (Additional Secretary & Development Commissioner [MSME], Ministry of MSME) and Bhushan Kumar Sinha (Joint Secretary Department of Financial Services, Ministry of Finance) as the nominee directors. CARE Ratings expects that SIDBI will continue to receive capital and managerial support from the GoI to bolster the credit to MSME sector.

Healthy capitalisation levels

The capital adequacy parameters of SIDBI remained strong, with it reporting an overall capital adequacy ratio (CAR) of 15.94% and Tier-I CAR of 15.37% as on March 31, 2024, above the regulatory guideline of 9% and 7%, respectively. In FY24 (refers to April 01 to March 31), SIDBI's advances increased by 27.94%, thereby resulting in increase in the risk weighted assets (RWA) to 34.88%. The overall gearing increased from 14.02x as on March 31, 2023 to 15.88x as on March 31, 2024, owing to increase in the borrowings done to fund the growth in advances.

With effect from April 01, 2024, SIDBI has to comply with Basel III norms (earlier followed Basel I norms). Accordingly, SIDBI will be required to maintain minimum CET I Ratio of 5.5% and minimum CAR and Tier-I CAR ratio of 9% and 7%, respectively. SIDBI will no longer require borrowing limit approval from RBI (as on March 31, 2024, the limit was 18x). Instead, it can now maintain leverage up to 24x. However, SIDBI will continue to borrow following the umbrella limits prescribed by RBI, 500% of net owned funds (NOF). The 'umbrella limit' consists of instruments, term deposits, term money borrowings, certificates of deposits (CDs), and commercial papers (CPs).

Department of Financial Services and Parliament Committee have advised capital infusion of ₹10,000 crore in SIDBI through rights issue, which should be carried out in two tranches of ₹5,000 crore each. Consequently, SIDBI has requested the GoI for equity capital infusion of ₹5,000 crore in FY24, for which approval is awaited. As indicated by the management, infusion is expected over the next three to six months. CARE Ratings expects the overall capitalisation profile to remain strong going forward as well.

Strong resource profile

SIDBI has a strong resource profile, consisting primarily of domestic and marginally overseas borrowings. Majority of the overseas borrowings of SIDBI are guaranteed by the GoI. It also has access to the low-cost MSE Refinance Fund from scheduled commercial banks/cooperative banks due to their shortfall in PSL targets, which forms a large portion of its resource profile. In FY24, overall borrowings (including deposits) increased by 30.42% to meet the funding requirements. Domestic borrowings, including bank loans and capital market borrowings form 56.06% of the total borrowings as of March 2024, followed by MSE refinance fund (40.63%), and overseas borrowings (0.66%).

SIDBI was allotted MSE Refinance Funds of ₹65,000 crore for FY24. CARE Ratings notes that allocation of these funds for FY25 is pending. Allocation of MSE Refinance funds will be critical for sustaining competitive cost of funds and for building its refinancing business. As schedule commercial banks gradually meet their PSL targets, the overall allocation under MSE refinance funds could drop, thereby affecting the growth prospects in the long term. Also, there is competition from other financial institutions to access such low-cost funds. However, being apex financial institution, CARE Ratings expects SIDBI to have continued access to funds from various sources at competitive rates.

Stable profitability and improving spreads

SIDBI increased its business volumes in FY24 (advances recording a y-o-y growth of 27.94%) compared to the previous years. Most of the growth was funded through market borrowings. These market borrowings were at higher rates than low-cost RIDF resources. Hence, the pricing structure also underwent change with increase in both borrowing and lending rates. Total income increased by 72.80% in FY24 on the back of increase in the interest income. The average yields increased to 6.86% in FY24 from 5.60% in FY23 owing to increase in yields across segments primarily led by increase in lending to non-banking finance companies (NBFCs) as well as direct lending book. Finance costs increased due to increase in borrowings (to fund growth in portfolio) and due to increase in interest rates during the year. Since increase in yields outpaced the increase in cost of funds, interest spread improved by 9 bps from 1.34% in FY23 to 1.43% in FY24. Opex increased in FY24 considering branch expansion, employee hiring and ₹500 crore contribution made towards CGTMSE. Opex as a % of average total assets increased from 0.25% in FY23 to 0.40% in FY24 (including contribution towards CGTMSE). If the contribution is excluded, opex as a % of average total assets increased

marginally to 0.30%. Credit costs increased from 0.27% in FY23 to 0.41% in FY24 considering higher provisioning done per SIDBI's Accelerated Provisioning Policy. Hence, despite improved net interest margins (NIMs), return on total asset (ROTA) moderated from 1.03% in FY23 to 0.87% in FY24 considering increase in opex and provisioning. As there is cap on lending margins in the refinance business funded through MSE refinance fund and the high share of 40.63% funds in overall borrowings (including deposits), the earnings profile, in terms of the ROTA, is expected to remain modest.

Strong asset quality

SIDBI's asset quality has been improving over the years. Currently, majority of its lending portfolio is concentrated towards indirect financing, constituting high-rated banks and other finance companies, including NBFCs. Indirect finance constituted 93.65% (FY23: 94.42%) of the total portfolio as on March 31, 2024, while direct financing stood at 6.35% (FY23: 5.60%). As on March 31, 2024, while refinance to banks continued to form the highest share of the total portfolio at 79.62%, followed by NBFCs (12.11%) and MFIs (1.92%); on a y-o-y basis, the proportion of refinancing to banks reduced by 4.03% with increase in share of refinancing to NBFCs, direct financing and MFIs by 2.74%, 0.75% and 0.55%, respectively. The concentration of the top 10 exposures in the total exposure remained high at 63.21% as on March 31, 2024 (67.85% as on March 31, 2022); however, the risk is mitigated as these exposures are majorly to the banks.

SIDBI's GNPA's deteriorated from ₹33 crore in FY23 to ₹100 crore on the back of incremental slippages in the direct finance book. However, in conjunction with significant growth in the advances the GNPA ratio and the net NPA (NNPA) ratio stood stable at 0.02% and 0.00%, respectively, as on March 31, 2024. As on March 31, 2024, total number of restructured accounts were 915 and in value stood at ₹554.34 crore, which formed 0.12% of the total loans and advances. The asset quality metrics in the direct lending book is comparatively weaker than the refinance book, although the impact on the overall asset quality metrics has been negligible. CARE Ratings expects SIDBI's asset quality to remain strong as its exposure is primarily in indirect finance majorly, which comprises banks and high-rated NBFCs, and the exposure in the direct financing segment is marginal.

Liquidity: Strong

SIDBI's liquidity profile is strong as major portion of its loan book comprises refinance book with average period being 1-1.5 year, which is largely funded through RIDF deposits and long-term borrowings of a similar maturity. However, ALM statement as on March 31, 2024, exhibits negative cumulative mismatches in 29 days to three months bucket and six months to one year bucket, which is within permissible limit. This is primarily considering repayment of short-term loans which get rollover. As indicated by the management, till date SIDBI has been able to rollover funds. It also has investments that are highly liquid in nature and can be called at any time. Due to its status as an apex financial institution, and that it is owned by GoI and its entities, SIDBI has strong access to capital market, which further strengthens its liquidity position.

Assumptions/Covenants

Not applicable

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Government Support](#)

[Issuer Rating](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

[Banks](#)

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial services	Financial services	Finance	Financial institution

In 1990, SIDBI was incorporated as a wholly owned subsidiary of IDBI Ltd. Over the years, IDBI has diluted its shareholding and as on March 31, 2024, majority of SIDBI's shareholding is held by GoI (shareholding is 20.85%), State Bank of India (SBI) (15.65%), Life Insurance Corporation of India (LIC) (13.33%), and National Bank for Agriculture and Rural Development (NABARD) (9.36%).

SIDBI is the apex financial institution for the MSME sector and is the nodal agency for the MSME-oriented schemes of the GoI. It provides refinance to primary lending institutions such as banks (including SFBs), NBFCs, and MFIs, among others, which in turn, lend to units under the MSME sector. SIDBI also provides direct finance to the MSME sector by way of long-term loans, working-capital facilities, and discounting/rediscouting bills of exchange, among others.

As on March 31, 2024, SIDBI had three wholly owned subsidiaries, SIDBI Venture Capital Limited (SVCL), SIDBI Trustee Co Limited (STCL), and Micro Units Development & Refinance Agency Limited (MUDRA). MUDRA has been set-up by GOI through a statutory enactment and is responsible for developing and refinancing all institutions that are in lending to micro/small business entities engaged in manufacturing, trading and service activities. MUDRA would partner with state-level/regional-level coordinators to provide finance to the last mile financiers of small/micro business enterprises.

The financial institution has nine resident representative offices, 11 regional offices, one zonal office, 83 branch offices and back-end & policy support is extended by 21 HO verticals stationed in Lucknow, Mumbai, New Delhi, Chennai, and Bhubaneswar.

Standalone financials of SIDBI

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	9,139	18,485	31,942
PAT	1,958	3,344	4,026
Total Assets	2,47,379	4,02,382	5,20,844
Net NPA (%)	0.07	0.00	0.00
ROTA (%)	0.89	1.03	0.87

A: Audited Note: 'these are latest available financial results'

Status of non-cooperation with previous CRA:

None

Any other information:

Not applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Bonds- Unsecured Redeemable	INE556F08JU6	21-Feb-22	5.59%	21-Feb-25	2,500	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08JV4	02-Mar-22	5.57%	03-Mar-25	2,500	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08JW2	16-Mar-22	5.4%	17-Mar-25	1,525 *	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08JX0	28-Mar-22	5.7%	28-Mar-25	1,625	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08JY8	31-May-22	7.15%	02-Jun-25	2,500	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08JZ5	18-Jul-22	7.15%	21-Jul-25	3,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KA6	28-Jul-22	7.25%	31-Jul-25	3,905	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KB4	17-Aug-22	7.11%	27-Feb-26	4,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KC2	08-Sep-22	7.23%	09-Mar-26	4,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KD0	14-Oct-22	7.75%	27-Oct-25	4,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KE8	15-Nov-22	7.47%	25-Nov-25	4,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KF5	02-Dec-22	7.54%	12-Jan-26	5,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KG3	18-Jan-23	7.59%	10-Feb-26	5,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KH1	22-May-23	7.43%	31-Aug-26	5,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KI9	09-Jun-23	7.44%	04-Sep-26	6,000	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KJ7	28-Jun-23	7.55%	22-Sep-26	3,000	CARE AAA; Stable

Bonds- Unsecured Redeemable	INE556F08KK5	19-Oct-23	7.79%	19-Apr-27	3,022.29	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KL3	24-Nov-23	7.83%	24-Nov-28	4,887.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KM1	22-Dec-23	7.79%	14-May-27	4,013.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KN9	19-Jan-24	7.75%	10-Jun-27	4,255.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KO7	12-Feb-24	7.68%	09-Jul-27	5,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KP4	26-Mar-24	7.68%	10-Aug-27	3,423.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KQ2	25-Jun-24	7.68%	10-Sep-27	2,123.10	CARE AAA; Stable
Bonds- Unsecured Redeemable (Proposed)	-	-	-	-	28,036.61	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08JS0	26-Mar-21	5.24%	26-Mar-24	0.00	Withdrawn
Bonds- Unsecured Redeemable	INE556F08JT8	17-Jun-21	4.97%	17-Jun-24	0.00	Withdrawn
Fixed Deposit	-	-	-	-	23,000.00	CARE AAA; Stable
MSE/RIDF Deposits	-	-	-	-	212,000.00	CARE AAA; Stable
Issuer Rating- Issuer Ratings	-	-	-	-	0.00	CARE AAA; Stable
Fund-based- Long Term bank facilities	-	-	-	23-Aug-25	27,500.00	CARE AAA; Stable
Fund-based- Short Term bank facilities	-	-	-	23-Aug-25	84,520.00	CARE A1+
Fund-based- Short Term bank facilities (Proposed)	-	-	-	-	7,475.00	CARE A1+
LT/ST Instrument-CP / CD	INE556F14KD8	18-04-2024	7.20%	18-07-2024	5,000.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F14KE6	29-04-2024	7.38%	10-09-2024	1,350.00	CARE AAA; Stable / CARE A1+

LT/ST Instrument-CP / CD	INE556F14KG1	17-05-2024	7.59%	28-02-2025	3,535.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F14KJ5	05-06-2024	7.17%	04-09-2024	2,500.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F14KK3	12-06-2024	7.11%	11-09-2024	5,375.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F14KL1	13-06-2024	7.11%	12-09-2024	2,225.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F14KF3	10-05-2024	7.24%	09-08-2024	5,550.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F14KH9	03-06-2024	7.70%	28-05-2025	1,025.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F14KI7	04-06-2024	7.17%	03-09-2024	3,450.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16AM5	11-12-2023	7.90%	11-12-2024	3,425.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16AN3	18-12-2023	7.89%	18-12-2024	3,125.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16AO1	10-01-2024	7.94%	10-01-2025	2,515.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16AP8	16-01-2024	7.93%	16-01-2025	3,775.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16AQ6	07-02-2024	7.95%	07-02-2025	5,225.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16AR4	27-02-2024	7.83%	27-02-2025	4,050.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16AS2	10-06-2024	7.71%	10-06-2025	3,000.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD (Proposed)	-	-	-	-	60,875.00	CARE AAA; Stable / CARE A1+

* The ISIN has been pre-paid in full on March 18, 2024. The same will be withdrawn in the next cycle.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned	Date(s) and Rating(s) assigned	Date(s) and Rating(s) assigned	Date(s) and Rating(s) assigned

					in 2024-2025	in 2023-2024	in 2022-2023	in 2021-2022
1	LT/ST Instrument-CP / CD	LT/ST	116000.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (29-Dec-23) 2)CARE AAA; Stable / CARE A1+ (04-Oct-23) 3)CARE AAA; Stable / CARE A1+ (21-Jun-23) 4)CARE AAA; Stable / CARE A1+ (06-Jun-23)	1)CARE AAA; Stable / CARE A1+ (28-Feb-23) 2)CARE AAA; Stable / CARE A1+ (29-Nov-22) 3)CARE AAA; Stable / CARE A1+ (06-Sep-22) 4)CARE AAA; Stable / CARE A1+ (07-Jul-22)	1)CARE AAA; Stable / CARE A1+ (02-Sep-21)
2	Fixed Deposit	LT	23000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (29-Dec-23) 2)CARE AAA; Stable (04-Oct-23) 3)CARE AAA; Stable (21-Jun-23) 4)CARE AAA; Stable (06-Jun-23)	1)CARE AAA; Stable (28-Feb-23) 2)CARE AAA; Stable (29-Nov-22) 3)CARE AAA; Stable (07-Jul-22)	1)CARE AAA (FD); Stable (28-Feb-22) 2)CARE AAA (FD); Stable (02-Sep-21)
3	MSE/RIDF Deposits	LT	212000.00	CARE AAA; Stable	-	1)CARE AAA; Stable	1)CARE AAA; Stable	1)CARE AAA; Stable

						(29-Dec-23) 2)CARE AAA; Stable (04-Oct-23) 3)CARE AAA; Stable (21-Jun-23) 4)CARE AAA; Stable (06-Jun-23)	(28-Feb-23) 2)CARE AAA; Stable (29-Nov-22) 3)CARE AAA; Stable (07-Jul-22)	(02-Sep-21)
4	Issuer Rating-Issuer Ratings	LT	0.00	CARE AAA; Stable	-	1)CARE AAA; Stable (29-Dec-23) 2)CARE AAA; Stable (04-Oct-23) 3)CARE AAA; Stable (21-Jun-23) 4)CARE AAA; Stable (06-Jun-23)	1)CARE AAA; Stable (28-Feb-23) 2)CARE AAA; Stable (26-Dec-22) 3)CARE AAA (Is); Stable (29-Nov-22) 4)CARE AAA (Is); Stable (07-Jul-22)	1)CARE AAA (Is); Stable (02-Sep-21)
5	Bonds-Unsecured Redeemable	LT	112315.00	CARE AAA; Stable	-	1)CARE AAA; Stable (29-Dec-23) 2)CARE AAA; Stable (04-Oct-23)	1)CARE AAA; Stable (28-Feb-23) 2)CARE AAA; Stable (29-Nov-22)	1)CARE AAA; Stable (28-Feb-22) 2)CARE AAA; Stable (02-Sep-21)

						3)CARE AAA; Stable (21-Jun-23) 4)CARE AAA; Stable (06-Jun-23)	3)CARE AAA; Stable (07-Jul-22)	
6	Fund-based-Short Term	ST	6500.00	CARE A1+	-	1)CARE A1+ (29-Dec-23) 2)CARE A1+ (04-Oct-23) 3)CARE A1+ (21-Jun-23) 4)CARE A1+ (06-Jun-23)	1)CARE A1+ (28-Feb-23) 2)CARE A1+ (29-Nov-22) 3)CARE A1+ (06-Sep-22) 4)CARE A1+ (07-Jul-22)	1)CARE AAA; Stable (28-Feb-22) 2)CARE AAA; Stable (02-Sep-21)
7	Fund-based-Short Term	ST	85495.00	CARE A1+	-	1)CARE A1+ (29-Dec-23) 2)CARE A1+ (04-Oct-23) 3)CARE A1+ (21-Jun-23) 4)CARE A1+ (06-Jun-23)	1)CARE A1+ (28-Feb-23) 2)CARE A1+ (29-Nov-22) 3)CARE A1+ (06-Sep-22) 4)CARE A1+ (07-Jul-22)	1)CARE A1+ (28-Feb-22) 2)CARE A1+ (02-Sep-21)
8	Fund-based-Long Term	LT	27500.00	CARE AAA; Stable	-	1)CARE AAA; Stable (29-Dec-23)	1)CARE AAA; Stable (28-Feb-23)	-

						2)CARE AAA; Stable (04-Oct-23)		
						3)CARE AAA; Stable (21-Jun-23)		
						4)CARE AAA; Stable (06-Jun-23)		

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds-Unsecured Redeemable	Simple
2	Fixed Deposit	Simple
3	Fund-based-Long Term bank facilities	Simple
4	Fund-based-Short Term bank facilities	Simple
5	LT/ST Instrument-CP / CD	Simple
6	MSE/RIDF Deposits	Simple
7	Issuer rating	Not applicable

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of all entities consolidated

Not applicable

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 914428501001 E-mail: pradeep.kumar@careedge.in</p>	<p>Analytical Contacts</p> <p>Sanjay Agarwal Senior Director CARE Ratings Limited Phone: 022- 6754 3500 E-mail: sanjay.agarwal@careedge.in</p> <p>Vineet Jain Senior Director CARE Ratings Limited Phone: 022-67543623 E-mail: vineet.jain@careedge.in</p> <p>Jitendra Meghrajani Assistant Director CARE Ratings Limited Phone: 022-67543526 E-mail: Jitendra.Meghrajani@careedge.in</p>
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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**

Ref No.:2980/2024-2025/CL – 4772- Series II

Date: August 29, 2024

To,
NSE Limited,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East), Mumbai- 400051

Dear Sir / Madam,

Sub: PRIVATE PLACEMENT OF LISTED, UNSECURED, TAXABLE, REDEEMABLE, RATED, FULLY PAID-UP NON-CONVERTIBLE DEBENTURES, OF THE FACE VALUE OF INR.1,00,000/- (RUPEES ONE LAKH ONLY) AGGREGATING UPTO INR 5,000 CRORE (RUPEES FIVE THOUSAND CRORE) WITH A BASE ISSUE SIZE OF INR 2000 CRORE (RUPEES TWO THOUSAND CRORES) INCLUDING GREEN SHOE OPTION TO RETAIN OVER SUBSCRIPTION UPTO INR 3000 CRORE (RUPEES THREE THOUSAND CRORES) BY SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA FY 2024-25

We, SBICAP Trustee Company Limited ("STCL") the debenture trustee to the above- mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:
 - a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed. – **Not Applicable**
 - b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies). – **Not Applicable**
 - c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities. – **Not Applicable**
 - d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document/ placement memorandum and all disclosures made in the offer document/ placement memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement. – **Not Applicable**
 - e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document/ placement memorandum.
 - f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application. – **Not Applicable**



SBICAP Trustee Company Ltd.

Registered & Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai, Pin - 400 020.

☎ +91 22 4302 5566 / +91 22 4302 5555 ✉ corporate@sbicaptrustee.com CIN : U65991MH2005PLC158386

UDYAM REGISTRATION NUMBER (SMALL ENTERPRISE Under MSME Act, 2006) - UDYAM-MH-19-0111411

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A Group Company of SBI

- g) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.
- h) Issuer has given an undertaking that debenture trust deed shall be executed before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

For: SBICAP Trustee Company Ltd



Authorized Signatory

Place: Mumbai

Small Industries Development Bank of India
Swavalamban Bhavan, Avenue 3,
Lane 2, C-11, G-Block,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 051

Dear Sir,

Sub: - CONSENT FOR PRIVATE PLACEMENT OF LISTED, UNSECURED, TAXABLE, REDEEMABLE, RATED, FULLY PAID-UP NON-CONVERTIBLE DEBENTURES, OF THE FACE VALUE OF INR.1,00,000/- (RUPEES ONE LAKH ONLY) AGGREGATING UPTO INR 5,000 CRORE (RUPEES FIVE THOUSAND CRORE) WITH A BASE ISSUE SIZE OF INR 2000 CRORE (RUPEES TWO THOUSAND CRORES) INCLUDING GREEN SHOE OPTION TO RETAIN OVER SUBSCRIPTION UPTO INR 3000 CRORE (RUPEES THREE THOUSAND CRORES) BY SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA FY 2024-25

We refer to your letter Ref No. TRMV/L001289721/Bonds/DT dated 27th March 2023 appointing SBICAP Trustee Issuer Limited as Debenture Trustee for issuance of Bonds from FY 2024 to FY 2025. **In this connection, we hereby give our consent to act as Debenture / Bond Trustee for FY- 2024-25 and confirm our acceptance to the assignment.**

We are aggregable for inclusion of our name as Trustee in the Private Placement Memorandum / Information Memorandum/GID & KID to be issued by the Company on private placement basis to the certain identified person in terms of the Companies Act, 2013, as required subject to following conditions: -

1. The Issuer has entered into a written Debenture Trustee Agreement (DTA) dated May 15, 2023, for the said issue before the opening of the issue /subscription list for issue debentures. The Debenture Trust Deed shall be executed by the Issuer within a period of 3 days from the date of closure of issue. Further, the Issuer shall also list the debentures on the Stock Exchange within a period of 3 working days from the date of closure of debenture issue.
2. The Company should create and perfect security as per the Private Placement Memorandum / Information Memorandum/ GID & KID.
3. The Company agrees and undertakes that it shall comply with the provisions of the SEBI regulations /Companies Act, 2013 read with the rules and regulations framed thereunder and the applicable provisions of the rules and regulations framed under the Reserve Bank of India Act, till the final redemption of the NCD being issued by the Company.
4. The Company agrees and undertakes to pay to the debenture trustee so long as they hold the office of debenture trustee, remuneration as stated in the fee letter bearing reference no. 0004/2023-2024/CL – 4772 dated April 10, 2023.

SBICAP Trustee Company Ltd.

Registered & Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai, Pin - 400 020.

☎ +91 22 4302 5566 / +91 22 4302 5555 ✉ corporate@sbicaptrustee.com CIN : U65991MH2005PLC158386

UDYAM REGISTRATION NUMBER (SMALL ENTERPRISE Under MSME Act, 2006) - UDYAM-MH-19-0111411

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5. Any payment in respect of debentures required to be made by the debenture trustee to debenture holder (who is FII Entity) at the time / post enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized Dealer only. The Company / Investor / Debenture Holders shall obtain all such approvals from RBI, if required, to ensure prompt and timely payments to the said debenture holders. Such remittance shall not exceed the total investment (and interest provided herein) made by the debenture holder (who is FPI).
6. The Company confirms that all necessary disclosures shall be made in the Private Placement Memorandum / Information Memorandum/ GID & KID including but not limited to statutory and other regulatory disclosures.
7. The Debenture Trustee & Company confirms to comply with regulation 13A of SEBI (DT) Regulations, 1993 and all amendments thereto and other applicable provisions and shall be effective on and from the date first hereinabove written and shall be in force till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for redemption in all respects, have been complied with.
8. The Debenture Trustee undertakes and confirms that it has not lent or is proposing to lend money to the Issuer / Company.
9. Investor should carefully read and note the contents of the Private Placement Memorandum / Information Memorandum. Each prospective investor should make its own independent assessment of the merits of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt market and are able to bear the economic risk of investing in such instruments.
10. The Trustee, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid / invested by the investors for the debentures being issued by the Issuer Company.

Looking forward to a fruitful association with you and assuring you of our best professional services at all times.

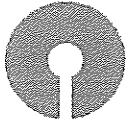
With warm regards,

Yours faithfully,

For SBICAP Trustee Company Limited


Authorised Signatory





**SBICAP
Trustee**

SBICAP Trustee Company Ltd.

Ref No. 0004/2023-2024/CL - 4772

10th April, 2023.

Small Industries Development Bank of India
Swavalamban Bhavan, Avenue 3,
Lane 2, C-11, G-Block,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 051.

Dear Sir,

**Sub - Commercial Consent to act as Debenture Trustee for Private Placement of Listed,
Unsecured NCD's aggregating up to Rs. 50.000 crores for each Financial Years.**

We refer your letter Ref No. TRMV/L001289721/Bonds/DT dated 27th March, 2023 appointing SBICAP Trustee Company Limited as Debenture Trustee for issuance of Bonds during FY 2024 to FY 2026.

In this connection, we hereby give our consent to act as Debenture Trustee on the following fee structure (Rupees)

Sr.No	Particulars	FY 2024	FY 2025	FY 2026
1.	Initial Acceptance Fee	29,500	29,500	29,500
2.	Annual Trusteeship Fee	23,600	23,600	23,600
3.	Other Charges #	5,000	5,000	5,000
	Total	58,100	58,100	58,100

The prices above include all costs, taxes, duties, GST etc.

Other expenses to be out of pocket expenses if any, incurred specifically on travel and will be charged on actual basis and will not be over Rs. 5,000 per annum

You are requested to kindly countersign the copy of this letter.

With warm regards,


Yours faithfully,

For SBICAP Trustee Company Limited


Group Head- _____



We accept the above terms
For SIDBI


Authorized Signatory
(Signature with stamp)



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corporate@sbicaptrustee.com

Corporate Office :

4th Floor, Mistry Bhavan,
122, Dinshaw Vachha Road,
Churchgate, Mumbai,
Pin - 400 020.

Registered Office :

202, Maker Tower E,
Cuffe Parade, Mumbai - 400 005.
CIN : U65991MH2005PLC158386

A Group Company of SBI



Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results for the quarter ended June 30, 2024 of Small Industries Development Bank of India pursuant to requirement of the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Small Industries Development Bank of India

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Small Industries Development Bank of India (the "Bank") for the quarter ended June 30, 2024 ("the statements"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. Management Responsibilities for the Financial Information

The Statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards-25 Interim Financial Reporting (AS-25) notified by the Institute of Chartered Accountants of India, the Small Industries Development Bank of India General Regulations, 2000, the circulars, guidelines and directions issued by Reserve Bank of India from time to time (RBI guidelines) and the other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of the Listing Regulations, 2015 including relevant circulars issued by the SEBI from time to time. Our responsibility is to issue a report on the Statement based on our review.

3. Scope of Review

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.



4. Other Matters:

Included in these Financial Results are the relevant returns of Mumbai Offices reviewed by us which covers 94.01% of Advances, 97.20% of deposits, 100% of Borrowings as on June 30, 2024. In conduct of our review, we have relied upon various information and returns received from remaining branches of the Bank not visited by us for the purpose of review and generated through centralized data base at Bank's Head Office.

5. Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with applicable accounting standards, the RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For J Kala & Associates
Chartered Accountants
Firm's Registration No. 118769W

Jayesh
Umaidmal Kala

Digitally signed by
Jayesh Umaidmal Kala
Date: 2024.08.13
01:41:06 +05'30'

CA. Jayesh Kala
Partner
MRN: 101686
UDIN: 24101686BKAJWN1189



Place: Mumbai
Date: 13th August, 2024



Small Industries Development Bank of India
(Established under the Small Industries Development Bank of India Act, 1989)
Head Office: SIDBI Tower, 15, Ashok Marg, Lucknow-226 001

Standalone Financial Results for the Quarter Ended June 30, 2024

(₹ crore)

Particulars	Quarter Ended			Year Ended
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	[Reviewed]	[Audited]	[Reviewed]	[Audited]
1. Interest earned (a)+(b)+(c)+(d)	9,155	8,835	6,504	31,310
(a) Interest/disc. on advances/ bills	8,021	7,814	5,801	27,182
(b) Income on investments	586	568	345	1,974
(c) Interest on balances with Reserve Bank of India and other inter bank funds	548	453	358	2,154
(d) Others	-	-	-	-
2. Other Income	133	185	96	632
3. Total Income (1+2)	9,288	9,020	6,600	31,942
4. Interest Expended	6,832	6,532	4,761	22,881
5. Operating Expenses (i)+(ii)	278	530	218	1,366
(i) Employees cost	177	301	147	828
(ii) Other operating expenses	101	229	71	538
6. Total Expenditure (4+5) excluding provisions and contingencies	7,110	7,062	4,979	24,247
7. Operating Profit before Provisions and Contingencies (3-6)	2,178	1,958	1,621	7,695
8. Provisions (other than tax) and Contingencies [Net of write back]	2	1,469	62	1906
9. Exceptional Items@		-	(500)	(500)
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8+9)	2,176	489	1,059	5,290
11. Tax expense [Net of DTA/DTL]	541	87	267	1,263
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	1,635	402	792	4,026
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	1,635	402	792	4,026
15. Paid-up equity share capital (Face Value ₹10 each)	569	569	569	569
16. Reserves excluding Revaluation Reserves	32,465	30,831	27,727	30,831
17. Analytical Ratios				
(i) Percentage of shares held by Government of India	20.85%	20.85%	20.85%	20.85%
(ii) Capital Adequacy Ratio				
(a) BASEL I	NA	15.94%	15.63%	15.94%
(b) BASEL III	19.16%	NA	NA	NA
(iii) Earnings Per Share (Basic & Diluted) (EPS)	28.75 [#]	7.08 [#]	13.93 [#]	70.82
(iv) NPA Ratios				
a) Amount of Gross NPA	136	100	70	100
b) Amount of Net NPA	0	0	40	0
c)% of Gross NPA	0.03	0.02	0.02	0.02
d)% of Net NPA	0.00	0.00	0.01	0.00
(v) Return on Assets (after Tax) (annualised)	1.27%	0.32%	0.77%	0.87%

(vi) Net Worth	30,627	28,900	25,630	28,900
(vii) Outstanding Redeemable Preference Shares	-	-	-	-
(viii) Capital Redemption Reserve	-	-	-	-
(ix) Debenture Redemption Reserve	-	-	-	-
(x) Operating Margin	23.45%	21.71%	16.98%	24.09%
(xi) Net Profit Margin	17.60%	4.46%	12.00%	12.61%
(xii) Debt - Equity Ratio *	8.65	9.36	9.64	9.36
(xiii) Total Debts to Total Assets (%) *	50.90	51.78	54.59	51.78

NA=Not Applicable

Not annualised

*Debt denotes total Borrowings (excluding Deposits)

@Contribution of ₹500 crore made to CGTMSE

Notes:

- The Significant Accounting Policies followed in preparation of these financial results, in all material aspects, are consistent with those followed in preparation of the annual financial statements for the year ended March 31, 2024.
- The above results have been approved by the Board of Directors at their meeting held on August 13, 2024.
- The figures for the quarter ended March 31, 2024 are the balancing figures between audited figures in respect of the financial year 2023-24 and the published year to date figures upto December 31, 2023.
- The financial results for the quarter ended June 30, 2024 have been arrived at, after considering provisions for Non-Performing Assets, Standard Assets, depreciation on Fixed Assets amortization of discount, income on investments/ bond issue expenses and Investment Depreciation on the basis of prudential norms issued by Reserve Bank of India. Income Tax, Deferred tax and other usual and necessary provisions including employee benefits made on an estimated/ proportionate basis, wherever required and subject to adjustment at the year-end.
- During the quarter ended June 30, 2024, the Bank has made an additional provision on standard advances at rates higher than minimum stipulated under IRAC norms, as per Board approved Accelerated Provisioning Policy. Accordingly, the Bank holds additional provision on standard advances (including restructured accounts) of ₹1,593 crore on June 30, 2024.
- Details of loans transferred / acquired during the quarter ended June 30, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

Transfer of Loans:

i. Details of non-performing assets (NPAs) transferred:

(₹ in crore)

Particulars	To ARCs	To permitted transferees	To other transferees
No: of accounts	1	-	-
Aggregate principal outstanding of loans transferred	39.49	-	-
Weighted average residual tenor of the loans transferred	NA	-	-
Net book value of loans transferred (at the time of transfer)	0	-	-
Aggregate consideration	9.25	-	-
Additional consideration realized in respect of accounts transferred in earlier years	0	-	-

During the quarter ended June 30, 2024, no investment was made in Security Receipts (SRs). All the Security Receipts held are provided for and hence the net book value is nil. Excess provisions reversed to the profit and loss account on account of sale of stressed loans was nil.

- The bank has not transferred any loans not in default / Special Mention Accounts (SMA).
Purchase of Loans:
- The Bank has not acquired any stressed loan.
- Details of loans not in default acquired during the quarter ended on June 30, 2024, through assignment are given below:

(₹ in crore)

Particulars	2024-25(Q1)	2023-24
Aggregate amount of loans acquired (₹ in crore)	103.55	48.94
Weighted average residual maturity (in months)	113.82	106.84
Weighted average holding period by the originator (in months)	8.01	13.31
Retention of beneficial economic interest by the originator	20%	20%
Tangible security coverage	245.17%	266.45%
rating-wise distribution of rated loans	NA	NA

- Floating provision is not considered for computation of net NPAs.
- Previous period's figures have been regrouped / reclassified wherever necessary to conform to current period classification.
- As per RBI's letter dated May 15, 2019, implementation of IND-AS has been deferred for AIFs until further notice.
- In terms of RBI Circular no. RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023- Investments in Alternative Investment Funds (AIFs) and subsequent clarification vide circular no.

RBI/2023-24/140 DOR.STR.REC.85/21.04.048/2023-24 dated March 27, 2024, Bank has assessed the impact and made provision of ₹87crore for the quarter ended June 30, 2024.

- 11) In terms of RBI circular no. RBI/DoR/2023-24/105 DoR.FIN.REC.40/01.02.000/2023-24 dated September 21, 2023, AIFI's are required to disclose capital adequacy ratio and applicable Pillar 3 disclosures under BASEL III capital regulations from quarter ended June 30, 2024. Accordingly, corresponding details for the previous period are not applicable. Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. www.sidbi.in. These disclosures have not been subjected to limited review by the Statutory Auditors.
- 12) The above results have been subjected to Limited Review by the Statutory Auditors.

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by Jayesh
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By order of the Board

MANOJ
MITTAL

Digitally signed by
MANOJ MITTAL
Date: 2024.08.13
12:56:20 +05'30'

Dated: August 13, 2024
Place: Mumbai

[Manoj Mittal]
Chairman and Managing Director



- SIDBIOfficial

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