



SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

(Established under the Small Industries Development Bank of India Act, 1989)

PAN: AABCS3480N; Date and Place of Incorporation: 02nd April 1990, Lucknow

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

Tel (0522) 2288546-50, Fax (0522) 2288455



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

PRIVATE PLACEMENT MEMORANDUM DATED January 31, 2024

Issued in conformity with SIDBI Act, 1989, as amended, Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021, as amended. This issuance would be under the electronic book mechanism for issuance of debt securities on private placement basis as per SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 updated on April 13, 2022, bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended.

PRIVATE PLACEMENT OF REDEEMABLE, TAXABLE, NON-CONVERTIBLE, NON-PRIORITY SECTOR, UNSECURED SECURITIES IN THE NATURE OF DEBENTURE OF FACE VALUE ₹ 1 LAKH EACH (THE "BONDS") UNDER SERIES VIII/FY 2023-24 WITH BASE ISSUE SIZE OF ₹1500 CRORE AND WITH AN OPTION TO RETAIN OVERSUBSCRIPTION BY WAY OF GREEN SHOE OPTION OF ₹3500 CRORE AGGREGATING TO ₹5000 CRORE THROUGH ISSUANCE OF BONDS WITH COUPON RATE OF 7.68% PAYABLE ANNUALLY AND REDEEMABLE AT PAR.

Registrar & Transfer Agent	Debenture Trustee of the Issue
<p>Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West Mumbai - 400083 Tel: :022-49186000, Fax: 022-49186060 Email: debtca@linkintime.co.in Website: www.linkintime.co.in Contact person-Mr Ganesh Jadhav, Asst. Vice President</p> 	<p>SBICAP Trustee Company Limited Mistry Bhavan, 4th Floor 122 Dinshaw Vachha Road Churchgate Mumbai – 400 020 T: (91) (22) 4325555 Website: https://sbicaptrustee.com Email: corporate@sbicaptrustee.com Contact person- Mr. Ardhendu Mukhopadhyay</p> 

Credit Rating Agencies	
<p>CRISIL Ltd. CRISIL House, Central Avenue, Hirandani Business Park, Powai, Mumbai – 400076 Tel.: 022-3342 3000 Fax.: 022-3342 3050</p>  <p>An S&P Global Company</p>	<p>CARE Ratings Ltd. (Formerly known as Credit Analysis & Research Ltd.) 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 22. Tel.:022- 6754 3456 (Board), Mob.: +91-9860020004; Fax: +91-22- 67543457 / 67 Contact person-Mr Dharmesh Gandhi, Lead Analyst</p> 
Current Rating & date: AAA/ Stable, January 10, 2024	Current Rating & date: AAA/ Stable, January 25, 2024





Compliance Officer	Promoters	CFO	Issue Schedule
Shri Vishnu Kumar Sah Tel:- 022- 67531215 Email:vishnus@sidbi.in	President through, MOF, Government of India and institutions / public sector banks / insurance companies owned or controlled by the Gov.	Shri Ajith Nath Jha Tel:- 022-67531213 Email:ajitjha@sidbi.in	Opening date- February 08, 2024 Closing date- February 08, 2024 Pay in Date- February 12 , 2024 Deemed Allotment Date – February 12, 2024

Bidding Parameters	Eligible Investors
Bidding Type: Closed Book Bidding at NSE-EBP Allotment Type: Uniform yield/price Allotment as per bids accepted, Bidding for coupon Settlement: Through NSE Clearing Limited Listing on: NSE	As per the operating guidelines of NSE-Bond EBP for issuance of securities on a private placement basis.

DISCLOSURES AS PER SCHEDULE I OF REVISED GUIDELINES FOR ISSUE AND LISTING OF DEBT SECURITIES

Issuer Information:

1.Name and address of the Registered Office of the Issuer: Head Office: SIDBI Tower, 15, Ashok Marg, Lucknow – 226001, Tel (0522) 2288546-50, Fax (0522) 2288455 Mumbai Office: SWAVALAMBAN BHAVAN, Plot No. C11, 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	2. Compliance Officer Shri Vishnu Kumar Sah SWAVALAMBAN BHAVAN, Plot No. C-11, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 Tel:- 022- 67531215 Email: vishnus@sidbi.in
3. Arrangers of the issue As per term sheet	4.Trustee of the issue SBICAP Trustee Company Limited Mistry Bhavan, 4 th Floor 122 Dinshaw Vachha Road Churchgate Mumbai – 400 020 T: (91) (22) 4325555 Website: https://sbicaptrustee.com Email: corporate@sbicaptrustee.com Contact person- Mr. Ardhendu Mukhopadhyay



<p>5. Registrar and Transfer Agents</p> <p>Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West Mumbai - 400083 Tel: :022-49186000, Fax: 022-49186060 Email: debtca@linkintime.co.in Website: www.linkintime.co.in Contact person-Mr Ganesh Jadhav, Asst. Vice President</p> <p>LINKIntime</p>	<p>6. Auditors of the Issuer</p> <p>M/s J Kala & Associates 504 Rainbow Chambers Near Kandivali Telephone Exchange S V Road Kandivali (W) Mumbai – 400 05567 Contact No: 022- 28625129 Email address: admin@jka.co.in</p>
<p>7. Rating agencies of the Issue</p> <p>CRISIL Ltd. CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076 Tel.: 022-3342 3000 Fax.: 022-3342 3050</p> <p>CRISIL An S&P Global Company</p> <p>Rationale - Attached</p>	<p>CARE Ratings Ltd. (Formerly known as Credit Analysis & Research Ltd.) 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 22. Tel.:022- 6754 3456 (Board), Mob.: +91-9860020004; Fax: +91-22- 67543457 / 67</p> <p>Contact person-Mr Dharmesh Gandhi, Lead Analyst</p> <p>Care-edge RATINGS</p> <p>Rationale - Attached</p>
<p>8. Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters :- None</p>	

2.3.1 'Issuer's Absolute Responsibility'. – Attached at *Annexure*

2.3.2 The PAN details of Directors are submitted to the exchange as given below:

Sl. No.	Name and Designation	PAN No.
1	Shri Sivasubramanian Ramann	AABPR9184R
2	Shri Sudatta Mandal	AALPM7389P
3	Shri Prakash Kumar	AKYPK9905A
4	Dr.Rajneesh	ACFPR1276G
5	Shri Bhushan Kumar Sinha	ALJPS0644L
6	Shri Krishna Singh Nagnyal	AANPN6331N
7	Shri Anindya Sunder Paul	AFQPP5324R
8	Shri Manikumar S	AACPM7764P
9	Shri G. Gopalakrishna	AAAPG6780D
10	Smt Nupur Garg	AGVPG6648R
11	Shri Amit Tandon	AADPT7741C

2.3.3 Details of credit rating along with reference to the rating letter issued - *Attached*





2.3.4 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s) –

The NCD shall be listed in NSE. In principle approval dated February 02, 2024 obtained from NSE in this regard.

2.3.5 The following details regarding the issue to be captured in a table format under "Issue Schedule", as prescribed below:

Particulars	Date
Issue Opening Date	February 08, 2024
Issue Closing Date	February 08, 2024
Pay-in Date	February 12, 2024
Deemed Date of Allotment	February 12, 2024
Redemption date	July 09, 2027
Coupon Rate	7.68% p.a.

2.3.6 Issue Details: - *Given at "Summary of terms"*

2.3.7 About the Issuer

1. Overview

Small Industries Development Bank of India (SIDBI), set up on April 2, 1990 under an Act of Indian Parliament, is the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector and for Co-ordination of the functions of the institutions engaged in similar activities. The SIDBI Act has provided SIDBI considerable flexibility in adopting appropriate operational strategies to meet these objectives. The activities of SIDBI, as they have evolved over the period of time, now meet almost all the requirements of small scale industries which fall into a wide spectrum constituting modern and technologically superior units at one end and traditional units at the other end.

The business domain of SIDBI consists of MSME sector, which contributes significantly to the national economy in terms of production, employment and exports. MSME sector is an important pillar of Indian economy as it contributes greatly to the growth of Indian economy with a vast network of around 4.5 crore enterprises, creating employment of about 10 crore, manufacturing more than 6,000 products, contributing about 40% to manufacturing output and about 36% of exports, directly and indirectly.

SIDBI is committed to developing a strong, vibrant and responsive MSME sector. Over the years, SIDBI has put in place financing schemes either through its direct financing mechanism or through indirect assistance mechanism and special focus programmes under its Promotional and Developmental (P&D) initiatives. In its approach, SIDBI has struck a good balance between financing and providing other support services. As an apex institution, SIDBI makes use of the network of Primary Lending Institutions [PLIs] like Banks and State Financial Corporations [SFCs], which have retail outlets. SIDBI supplements the efforts of existing institutions through its direct assistance schemes to reach financial assistance to the ultimate borrowers in the small scale sector. Besides financial assistance, SIDBI provides appropriate support in the form of promotional and developmental services. SIDBI has been built up as a financially sound, vibrant,





forward looking and technology oriented institution and, it intends to sustain this orientation in future.

SIDBI's Mission Statement

"To facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME eco-system"

SIDBI, in its operational strategy, emphasizes:

- Enhancement in the flow of financial assistance to MSMEs, and
- Enhancement in the capabilities of MSMEs at all levels, with focus on adoption of improved and modern technology.

SIDBI identifies the areas of gaps in credit delivery system and addresses them through devising appropriate schemes and implementing them.

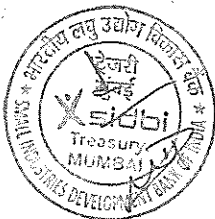
SIDBI's assistance to MSMEs broadly covers:

- Term loans (Rupee and Foreign Currency)
- Working capital Assistance
- Bills Discounting
- Refinance to PLIs
- Resource Support to NBFCs
- Micro Finance Assistance to Micro Finance Institutions [MFIs]

The purpose, for which SIDBI's assistance is provided, includes financial assistance for new projects, expansion, diversification, technology upgradation, modernization, quality improvement, environmental management and marketing (domestic and international). Besides financing, SIDBI provides developmental and support services to MSMEs under its P&D schemes. The focus of such assistance is to ensure:

- Human Resource Development
- Enterprise promotion
- Technology Upgradation
- Environmental and quality management
- Information Dissemination and
- Market Promotion

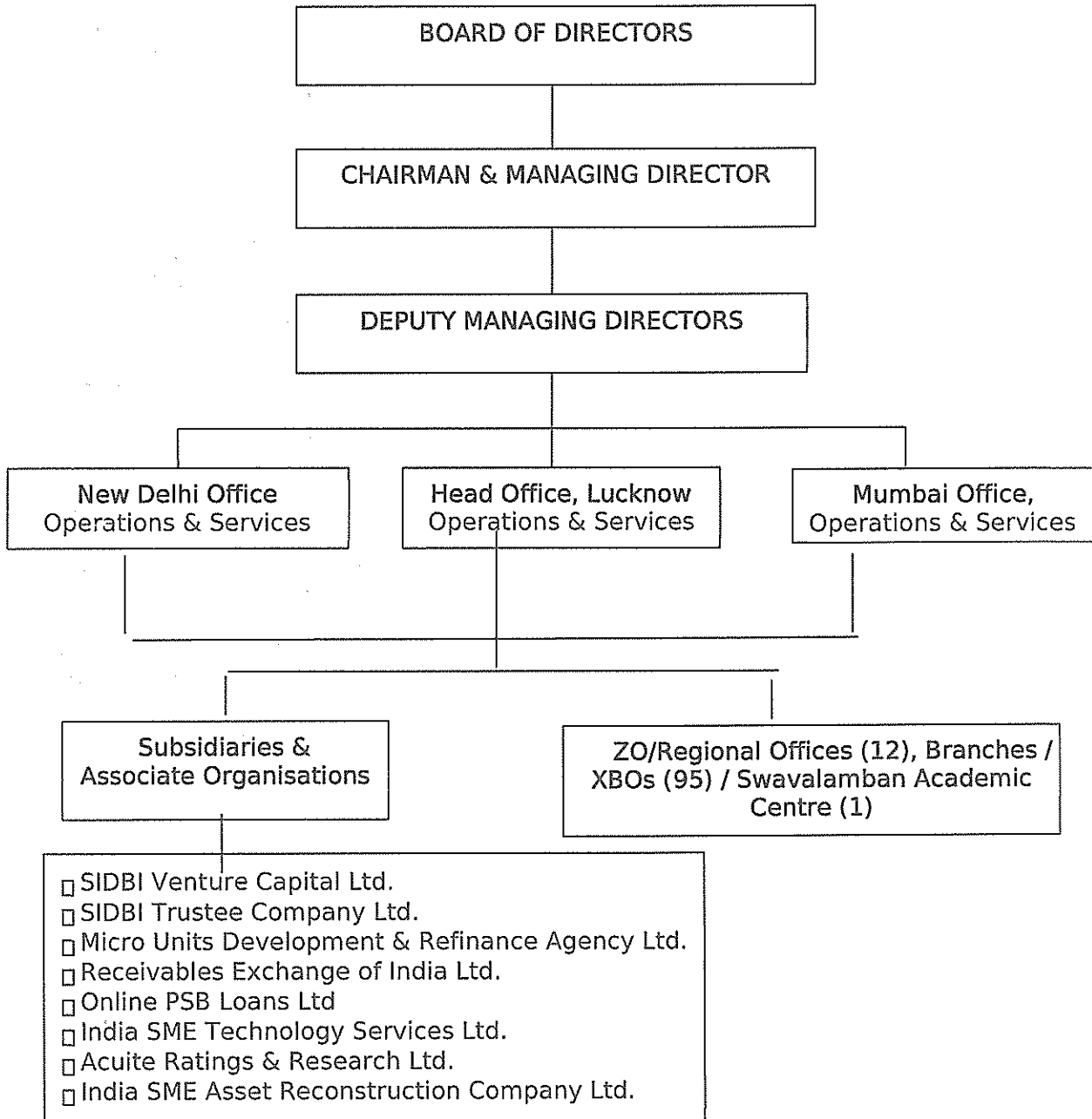
The P&D initiatives of SIDBI have crystallized over the years and are now oriented to serve rural entrepreneurs and youth, particularly women through programmes to empower them and motivate them to undertake entrepreneurial ventures.





2. Organization Structure of SIDBI

Annexure I – Organization Structure of SIDBI



In compliance to SEBI LODR Regulations, 2015, organisations where SIDBI is having more than 20% shareholding, except above are as under:

- Bihar State Financial Corporation
- Delhi State Financial Corporation



- Gujarat State Financial Corporation
- Maharashtra State Financial Corporation
- Punjab State Financial Corporation
- Uttar Pradesh State Financial Corporation
- Canbank Factors Ltd
- KITCO Ltd.
- Bihar Industrial and Technical Consultancy Organisation Ltd.
- Rajasthan Asset Management Co. Pvt. Ltd.
- Rajasthan Trustee Company Pvt. Ltd.
- Hyderabad Information Technology Venture Enterprises Ltd.
- Cyberabad Trustee Co. Pvt Ltd

3. Project Cost and means of financing, in case of funding of new projects

The funds being raised by the Issuer through present issue of bonds are not meant for financing any particular project. The proceeds of the issue 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 applicable laws and government policies.

2.3.8 Columnar Representation of Audited Financial Statements

Links to Last Three FY results and Auditors Reports: <https://www.sidbi.in/en/annualreports> and <https://www.sidbi.in/en/financialresults>

a. Standalone audited financial statements

(₹ in crore)

A. Standalone Balance Sheet	30-Sept-23	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
CAPITAL AND LIABILITIES					
Capital	568.54	568.54	568.54	568.54	531.92
Reserves, Surplus and Funds	29,403.98	28,030.83	27,240.70	24,014.53	20,756.29
Deposits	1,79,898.92	1,67,165.75	1,65,036.15	1,40,878.43	1,24,412.12
Borrowings	2,48,863.20	2,46,990.69	2,00,657.92	75,712.44	39,090.19
Other Liabilities and Provisions	9,737.83	9,673.54	8,879.42	6,204.01	7,531.92
Deferred Tax Liability	-	-	0.00	0.75	0.00
Total	4,68,472.47	4,52,429.35	4,02,382.73	2,47,378.70	1,92,322.44
ASSETS					
Cash and Bank Balances	30,076.42	39,655.36	12,108.82	17,918.31	13,807.96
Investments	39,928.86	47,440.71	29,088.66	23,951.56	19,153.47
Loans & Advances	3,92,994.10	3,59,838.05	3,56,439.07	2,02,251.78	1,56,232.80
Fixed Assets	296.45	305.14	296.39	293.12	277.32
Other Assets	5,176.64	5,190.09	4,449.79	2,963.92	2,850.90
Total	4,68,472.47	4,52,429.35	4,02,382.73	2,47,378.70	1,92,322.44
Contingent Liabilities	4163.49	4,159.21	4,513.44	5,337.90	5,950.61

B. Standalone Profit & Loss Account					
INCOME					
Interest and Discount	14,245	6,503.63	17,953.54	8,714.12	10,221.36
Other Income	366	96.20	531.28	425.06	944.27
Total	14,611	6,599.83	18,484.82	9,139.18	11,165.63
EXPENDITURE					
Interest & Financial charges	10,424	4,760.74	12,405.66	5,701.63	6,542.88
Operating Expenses	1,032	718.57	823.54	697.72	560.00
Provisions & Contingencies	277	62.16	858.14	351.81	915.24
Total	11,733	5,541.47	14,087.34	6,751.16	8,018.12
Profit before Tax		1,058.36	4,397.48	2,388.02	3,147.51
Provision for Income Tax	786	286.62	1,239.92	411.58	768.66
Deferred Tax Adjustment [(Asset) / Liability]	(74)	(20.14)	(186.01)	(18.65)	(19.43)
Profit after Tax	2166	791.88	3,343.57	1,957.79	2,398.28
Profit brought forward	-	-	40.00	53.97	96.18
Total Profit / (Loss)	2166	791.88	3,383.57	2,011.76	2,494.45

Appropriations						
Transfer to General Reserve	-	0.00	3,111.89	1800.41	2250.00	
Transfer to Special Reserve u/s 36(1)(viii) of The Income Tax Act, 1961	-	0.00	80.00	70.00	80.00	
Others	-	-	-	-	-	
a) Transfer to Investment Fluctuation Reserve	-	0.00	0.00	10.97	0.00	
Transfer to Staff Welfare Fund	-	0.00	11.11	10.56	4.10	
Dividend on Shares	-	0.00	113.71	79.81	106.38	
Tax on Dividend	-	0.00	0.00	0.00	0.00	
Surplus in Profit & Loss account carried forward	2166	791.88	66.86	40.00	53.97	
Total	2166	791.88	3,383.57	2011.76	2494.45	
C. Standalone Cash Flow Statement						
	30-Sept-2023	Cash Flow Statement not prepared for Quarter Ended June 30, 2023		31-Mar-23	31-Mar-22	31-Mar-21
1. Cash Flow from Operating Activities						
Net Profit before tax as per P & L Account	2,879			4,397.48	2388.02	3,147.51
Adjustments for:						
Depreciation	12			26.23	36.19	24.04
Provision for net depreciation in investments	-			26.05	5.53	15.62



Provisions made (net of write back)	319	919.41	398.32	969.17
Profit on sale of investments (net)	(51)	(44.63)	(70.44)	(125.89)
Profit on sale of fixed assets	-	(1.34)	(0.14)	(0.08)
Dividend Received on Investments	(37)	(32.37)	(47.78)	(453.98)
Cash generated from operations	3,122	5,290.84	2709.70	3,576.40
(Prior to changes in operating Assets and Liabilities)				
Adjustments for net changes in :				
Current assets	(576)	(1,279.60)	(38.08)	1,085.76
Current liabilities	704	1,638.88	(1731.75)	(694.90)
Bills of Exchange	(497)	(517.69)	(13.45)	139.26
Loans & Advances	(36,115)	(1,53,608.86)	(45994)	9,334.65
Net Proceeds of Bonds and Debentures & other borrowings	48,205	1,24,945.48	36622.25	(16,613.19)
Deposits received	14,863	24,157.72	16466.31	18,440.47
		(4,665.05)	5,311.26	15,268.45
Payment of Tax	(863)	(1,260.92)	(504.42)	(457.94)
Net Cash flow from operating Activities	28,842	(634.14)	7,516.54	14,810.51
2. Cash flow from Investing Activities				
Net (Purchase)/Sale of fixed assets	(11)	(28.17)	(51.85)	(14.57)
Net (Purchase)/sale/redemption of Investments	(28,235)	841.52	(14,232.31)	(15,433.88)
Dividend Received on Investments	36	32.37	47.78	453.98
Net cash used in Investing Activities	(28,210)	845.73	(14,236.37)	(14,994.47)
3. Cash flow from Financing Activities				
Dividend on Equity Shares & tax on Dividend	(114)	0.00	(106.38)	0.00
Proceeds from issuance of share capital & share premium		(79.82)	1422.80	0.00
Net cash used in Financing Activities	(114)	(79.82)	1316.42	0.00
4. Net increase/(decrease) in cash and cash equivalents	518	131.77	(5403.42)	(183.96)
5. Cash and Cash Equivalents at the beginning of the period	2,638	2,506.43	7909.84	8,093.81
6. Cash and Cash Equivalents at the end of the period	3,156	2,638.20	2,506.43	7,909.84

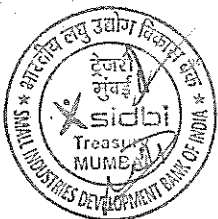




B. Consolidated audited financial statements

(₹ in crore)

A. Consolidated Balance Sheet	31-Mar-23	31-Mar-22	31-Mar-21
Capital	568.54	568.54	531.92
Reserves, Surplus and Funds	28,876.87	25,062.79	21,599.74
Deposits	1,99,945.60	1,70,704.30	1,44,364.77
Borrowings	2,00,657.92	75,712.44	39,090.19
Other Liabilities and Provisions	9,203.25	6,831.68	8,104.71
Deferred Tax Liability	0.00	0.00	0.00
Total	4,39,252.18	2,78,879.74	2,13,691.33
Cash and Bank Balances	28,603.91	30,771.86	23,076.75
Investments	27,413.44	22,243.62	17,451.75
Loans & Advances	3,77,995.54	2,22,290.63	1,69,859.34
Fixed Assets	297.51	293.91	278.12
Other Assets	4,941.78	3,279.72	3,025.37
Total	4,39,252.18	2,78,879.74	2,13,691.33
Contingent Liabilities	4,513.44	5,337.90	5,950.61
B. Consolidated Profit & Loss Account			
Interest and Discount	19,482.45	9,715.64	11,214.31
Other Income	518.98	417.42	929.58
Total	20,001.43	10,133.06	12,143.89
Interest & Financial charges	13,156.49	6,363.02	7,190.89
Operating Expenses	841.67	711.78	571.34
Provisions & Contingencies	854.07	378.96	943.00
Total	14,852.23	7,453.75	8,705.23
Profit before Tax	5,149.20	2,679.31	3,438.66
Provision for Income Tax	1,424.28	499.84	782.67
Deferred Tax Adjustment [(Asset) / Liability]	(172.74)	11.68	33.55
Share of earning/(loss) in associates	(33.81)	5.81	14.90
Profit after Tax	3,931.47	2,161.98	2,607.55
Profit brought forward	444.99	301.46	183.56

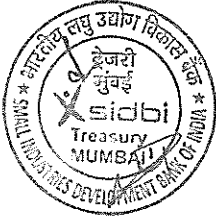


Total Profit / (Loss)	4,376.46	2,463.44	2,791.11
Transfer to General Reserve	3,111.89	1,800.54	2,250.12
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961	80.00	70.00	80.00
Transfer to Statutory reserve u/s 45-IC of RBI Act, 1934	115.15	46.56	49.04
Others			
a) Transfer to Investment Fluctuation Reserve	0.00	10.96	0.00
Transfer to Staff Welfare Fund	11.11	10.55	4.10
Development Fund	0.00	0.00	0.00
Dividend on Shares	113.71	79.82	106.38
Tax on Dividend	0.00	0.00	0.00
Surplus in Profit & Loss account carried forward	944.60	444.99	301.46
Total	4,376.46	2,463.44	2,791.11
C. Consolidated Cash Flow Statement	31-Mar-23	31-Mar-22	31-Mar-21
1. Cash Flow from Operating Activities			
Net Profit before tax as per Consolidated P & L Account	5,149.20	2,679.31	3438.66
Depreciation	26.67	36.44	24.09
Provision for net depreciation investments	24.54	5.53	15.62
Provisions made (net of write back)	916.74	425.63	996.54
Profit on sale of investments (net)	(827.33)	(561.93)	(626.12)
Profit on sale of fixed assets	(1.34)	(0.14)	(0.08)
Dividend/Interest Received on Investments	(8.00)	(19.47)	(428.84)
Cash generated from operations	5,280.48	2,565.37	3,419.88
Current assets	(1,493.03)	(169.74)	1,078.69
Current liabilities	6,491.98	8,168.99	2,382.88
Bills of Exchange	(517.69)	(13.45)	139.26
Loans & Advances	(1,55,199.51)	(52,406.31)	4,797.62
Net Proceeds of Bonds and Debentures & other borrowings	1,24,945.48	36,623.05	(16,613.19)
Deposits received	20,230.07	14,600.56	15,362.01
Payment of Tax	(1,418.16)	(595.88)	(483.84)
Net Cash Flow from Operating Activities	(1,680.38)	8,772.60	10,083.28
Net (Purchase)/Sale of fixed assets	(28.94)	(52.09)	(14.84)
Net (Purchase)/ sale/redemption of Investments	1,623.33	(13,741.19)	(14,757.93)
Dividend/ Interest Received on Investments	5.74	47.78	453.98
Net cash used in Investing Activities	1,600.13	(13,745.50)	(14,318.79)



Dividend on Equity Shares & tax on Dividend	(79.82)	(134.70)	(25.14)
Proceeds from issuance of share capital & share premium	0.00	1422.80	0.00
Net cash used in Financing Activities	(79.82)	1288.10	(25.14)
4. Net increase / (decrease) in cash and cash equivalents	(160.07)	(3684.80)	(4260.64)
5. Cash and Cash Equivalents at the beginning of the period	4,365.30	8,050.10	12,310.74
6. Cash and Cash Equivalents at the end of the period	4,205.23	4,365.30	8,050.10

C. Financial Results for the Quarter and Half Year Ended September 30, 2023 and Auditors Report are attached respectively at the end.



Borkar & Muzumdar
Chartered Accountants

Independent Auditor's report on the quarterly and annual standalone Financial Results of Small Industries Development Bank of India (SIDBI) pursuant to the Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Opinion

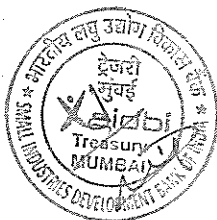
1. We have audited the accompanying standalone Financial Results of Small Industries Development Bank of India ("the Bank") for the quarter and year ended 31st March 2023 ("standalone Financial Results") attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, these standalone Financial Results:
 - i. are presented in accordance with the requirements of Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and
 - ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended 31st March 2023.

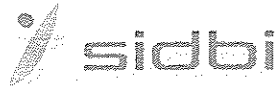
Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("the ICAI"). Our



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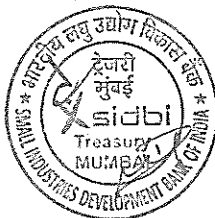




responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management responsibilities for the standalone financial results.

1. These standalone Financial Results have been prepared on the basis of the audited standalone annual financial statements. The Bank's Management is responsible for the preparation of these standalone Financial Results that give a true and fair view of the net profit and other financial information in accordance with the Small Industries Development Bank of India General Regulations, 2000, and recognition and measurement principles laid down in the Accounting Standards notified by the Institute of Chartered Accountants of India, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the standalone Financial Results, the Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
6. Bank's Management is also responsible for overseeing the Bank's financial reporting process.



Auditor's Responsibilities for the Audit of the standalone Financial Results

7. Our objectives are to obtain reasonable assurance about whether the standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Financial Results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
 - Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If



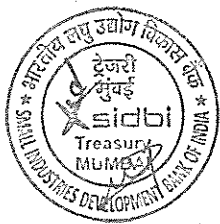


we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the standalone Financial Results, including the disclosures, and whether the standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

11. These standalone Financial Results incorporate the relevant returns of 26 branches visited/audited by us including Head Office which covers 96.30% of Advances, 99.30% of deposits and 100% of Borrowings as on 31st March 2023 and 95.09% of Interest Income on advances, 99.19% of interest expense on deposits and 100% of interest expense on borrowings for the year ended 31st March 2023. These branches have been selected in consultation with the Bank's management. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized data base at Head Office.
12. The standalone Financial Results includes the results for the quarter ended 31st March 2023, being the derived balancing figures between the standalone audited





figures in respect of the full financial year ended 31st March 2023 and the published standalone unaudited year to date figures upto the nine months ended 31st December 2022, of the current financial year which have only been reviewed and not subjected to audit by us

Our opinion on the standalone financial results is not modified in respect of above matters.

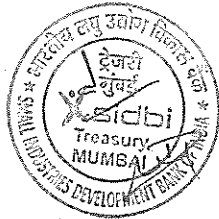
For Berkar & Muzumdar
Chartered Accountants
Firm's Registration No. 100569W

Darshit Doshi

12/05/2023

Darshit Doshi
Partner
Membership No. 133755
UDIN: 23133755BGTQTYK2063

Place: Mumbai
Date: 12th May 2023





Borkar I. Muzumdar
Chartered Accountants

Independent Auditor's report on the annual consolidated Financial Results of Small Industries Development Bank of India (SIDBI) pursuant to the Regulation 52 read with Regulation 63(2) of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015

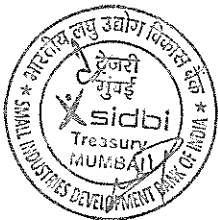
To,
The Board of Directors
Small Industries Development Bank of India

Opinion

1. We have audited the accompanying Consolidated Financial Results of Small Industries Development Bank of India ("Parent" or "the Bank"), its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its associates for the year ended 31st March 2023 ("Consolidated Financial Results"), being submitted by the Bank pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of the other auditors on separate attached financial statements of the subsidiaries, the associated financial statements and the other financial information of the Associates as furnished by the management, these consolidated Financial Results:
 - a. include the annual audited financial results of the following entities:
 - Small Industries Development Bank of India (Parent)
 - Micro Units Development & Refinance Agency (MUDRA) (Subsidiary)
 - SIDBI Venture Capital Limited (SVCL) (Subsidiary)
 - SIDBI Finance Company Limited (SIFCL) (Subsidiary)
 - b. include the annual unaudited financial results of the following entities:
 - Avanti Ratings For Ltd (Avanti's SMERVA) (Associate)
 - India SME Asset Reconstruction Company Limited (ISARC) (Associate)
 - Debi Financial Corporation (DFC) (Associate)
 - Securities Exchange of India Limited (SEIL) (Associate)
 - SEPCO Limited (Associate)



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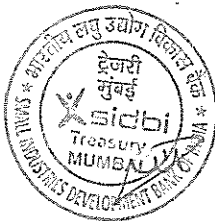
- (b) are prepared in accordance with the requirements of Regulation 52 and with Regulation 30(2) of the Listing Regulations in this regard; and
- (c) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India on the consolidated net profit and other financial information of the Group and its associates for the year ended 31 - March 2023.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under these Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management responsibilities for the consolidated financial results.

4. These Consolidated Financial Results have been prepared on the basis of the audited consolidated annual financial statements. The Bank's Management is responsible for the preparation of these Consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group including its associates in accordance with the Small Industries Development Bank of India General Regulations, 2000, and recognition and measurement principles laid down in the Accounting Standards notified by the Institute of Chartered Accountants of India, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with the Listing Regulations. The respective management of the entities included in the Group and of its associates are responsible for the maintenance of adequate accounting records, or safeguarding of the assets of the Group and its associates.





and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and designs, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Results by the Management of the Bank, as aforesaid.

5. In preparing the Consolidated Financial Results, the respective Management of the entities included in the Group and of its associates are responsible for assessing the ability of the Group and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the proper accounting basis of accounting unless the Management either intends to liquidate the respective entities in the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Management of the entities included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

7. Our objective was to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial Results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also



[Handwritten signature]

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for error, as fraud may involve collusion, forgery, intentional omissions, misstatements, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effect-iveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial transactions of the entities within the Group and its associates to express an opinion on the Consolidated Financial Results. We are responsible

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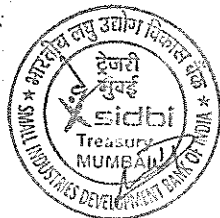


for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of such reporting independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

9. We communicate with those charged with governance of the Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

11. These Consolidated Financial Results incorporate the relevant returns of 26 branches of the Bank visited/audited by us including Bank's Head Office which covers 86.94% of Advances, 92.30% of deposits and 100% of Borrowings of the Bank as on 31st March 2023 and 95.89% of Interest income on advances, 94.19% of Interest expense on deposits and 100% of Interest expense on borrowings of the Bank for the year ended 31st March 2023. These branches have been selected in consultation with the management of the Bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized data base at Bank's Head Office.
12. The Consolidated Financial Results include the audited financial results of three subsidiaries, whose financial statements/financial results/financial information reflect total assets of Rs. 38,895.57 crore as at 31st March 2023, total revenues of Rs. 1,552.85 crore and total net profit after tax of Rs. 568.73 crore for the year ended 31st March 2023 and net cash outflow amounting to Rs. 321.85 crore for the year



based on that data as considered in the Consolidated Financial Results, which have been audited by other independent auditors, whose reports have been furnished to us by the management. Our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us are as stated in section above.

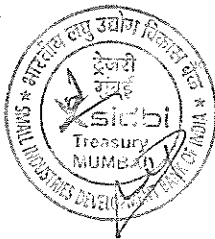
19. The Consolidated Financial Results also include the Group's share of net profit of Rs. 30.81 crore for the year ended 31st March 2023, as considered in the Consolidated Financial Results, in respect of associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Bank's Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial information. We have relied on the management's written representation to us that the effect of the changes / adjustments, if any, required to be made to the reported numbers of these Associates consequent to their audit would not be material for the Group.

Our opinion on the consolidated Financial Results is not qualified in respect of above matters.

For PwC & Associates
Chartered Accountants
Firm's Registration No. 1118954V

Darshil Doshi
Partner
Membership No. 133755
LICEN. 271305884001141223b

Place: Mumbai
Date: 15th May 2023





D. Key Operational & Financial Parameters on consolidated and Standalone basis.

(₹ in crore)

1. Consolidated

Balance Sheet	31-Mar-23	31-Mar-22	31-Mar-21
Net Fixed assets	297.51	293.91	278.12
Current assets	NA	NA	NA
Non-current assets	NA	NA	NA
Total assets	4,39,252.18	2,78,879.74	2,13,691.33
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	29,445.41	25,631.33	22,131.66
Total equity and liabilities	4,39,252.18	2,78,879.74	2,13,691.33
Profit and Loss			
Total revenue	20,001.43	10,133.06	12,143.88
From operations	19,482.45	9,715.64	11,214.31
Other income	518.98	417.42	929.58
Total Expenses (including Provisions)	14,852.23	7,453.75	8,705.23
Total comprehensive income	NA	NA	NA
Profit / loss (before Tax)	5,149.20	2,679.31	3,438.66
Other comprehensive income	NA	NA	NA
Profit / loss after tax	3,931.47	2,161.98	2,607.55
Earnings per equity share			
(a) basic and	69.15	40.63	49.02
(b) diluted	69.15	40.63	49.02
Continuing operations	NA	NA	NA
Discontinued operations	NA	NA	NA
Total Continuing and discontinued operations	NA	NA	NA
Cash Flow			
Net cash generated from operating activities	(1,680.38)	8,772.70	10,083.28
Net cash used in / generated from investing activities	1,600.13	(13,745.50)	(14,318.79)



Net cash used in financing activities	(79.82)	1288.10	(25.14)
Cash and cash equivalents	4,205.23	4,365.30	8,050.10
Balance as per statement of cash flows	4,205.23	4,365.30	8,050.10
Additional information			
Net worth	Not Calculated		
Cash and Cash Equivalents	28,603.91	30,771.86	23,076.75
Current Investments	NA	NA	NA
Assets Under Management	NA	NA	NA
Off Balance Sheet Assets	4,513.44	5,337.90	5,950.61
Total Debts to Total assets*	0.46	0.27	0.18
Debt Service Coverage Ratios	NA	NA	NA
Interest Income including Discounts	19,482.45	9,715.64	11,214.31
Interest Expense	13,156.49	6,363	7,190.89
Interest service coverage ratio	NA	NA	NA
Provisioning & Write-offs	854.07	378.96	943.00
Bad debts to Account receivable ratio	NA	NA	NA
Gross NPA (%)	Not Calculated		
Net NPA (%)	0.00	0.06	0.11
Tier I Capital Adequacy Ratio (%)	19.94%	24.26%	28.78%
Tier II Capital Adequacy Ratio (%)	1.17%	0.02%	0.94%

\$ Being a financial institution, the same is not bifurcated.

2. Standalone

Balance Sheet	30-Sept-23	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
Net Fixed assets	296.45	305.14	296.39	293.12	277.32
Current assets	NA	NA		NA	NA
Non-current assets	NA	NA		NA	NA
Total assets	4,68,472.47	4,52,429.35	4,02,382.73	2,47,378.69	1,92,322.45
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	29,972.52	28,599.37	27,809.24	24,583.07	21,288.22
Total equity and liabilities	4,68,472.47	4,52,429.35	4,02,382.73	2,47,378.69	1,92,322.45
Profit and Loss					





Total revenue	14,610.88	6,599.83	18,484.82	9,139.18	11,165.63
From operations	14,245.34	6,503.63	17,953.54	8,714.12	10,221.36
Other income	365.54	96.20	531.28	425.06	944.27
Total Expenses (including Provisions)	11,733.14	5,541.47	14,087.34	6,751.16	8,018.12
Total comprehensive income	NA	NA	NA	NA	NA
Profit / loss (before Tax)	2,877.74	1,058.36	4,397.48	2,388.02	3,147.51
Other comprehensive income	NA	NA	NA	NA	NA
Profit / loss after tax	2,166.08	791.88	3,343.57	1,957.79	2,398.28
Earnings per equity share					
(a) basic and	38.10	13.93	58.81	36.79	45.09
(b) diluted	38.10	13.93	58.81	36.79	45.09
Continuing operations	NA	NA	NA	NA	NA
Discontinued operations	NA	NA	NA	NA	NA
Total Continuing and discontinued operations	NA	NA	NA	NA	NA
Cash Flow					
Net cash generated from operating activities	28,842	Cash Flow Statement not prepared for Quarter Ended June 30, 2023	(634.13)	7,516.54	14,810.49
Net cash used in / generated from investing activities	(28,210)		845.73	(14,236.37)	(14,994.47)
Net cash used in financing activities	(114)		(79.82)	1,316.41	0.00
Cash and cash equivalents	3,156		2,638.20	2,506.42	7,909.83
Balance as per statement of cash flows	3,156		2,638.20	2,506.42	7,909.83
Additional information					
Net worth	27645.88	25630.39	25,464.95	23,497.34	20,667.33
Cash and Cash Equivalents	30,076.42	39,655.36	12,108.82	17,918.31	13,807.96
Current Investments	NA	NA	NA	NA	NA
Assets Under Management	NA	NA	NA	NA	NA
Off Balance Sheet Assets	4,163.49	4,159.21	4,513.44	5,337.90	5,950.61
Total Debts to Total assets	0.53	0.55	0.50	0.31	0.20
Debt Service Coverage Ratios	NA	NA	NA	NA	NA
Interest Income including Discounts	14,245.34	6,503.63	17,953.54	8,714.12	10,221.36
Interest Expense	10,424.34	4,760.74	12,405.66	5,701.63	6,542.88
Interest service coverage ratio	NA	NA	NA	NA	NA
Provisioning & Write-offs	276.62	62.16	858.14	351.81	915.24
Bad debts to Account receivable ratio	NA	NA	NA	NA	NA
Gross NPA (%)	0.02	0.02	0.01	0.11	0.18
Net NPA (%)	0.00	0.01	0.00	0.07	0.12
Tier I Capital Adequacy Ratio (%)	16.61%	15.21%	18.81%	24.28%	27.49%



Tier II Capital Adequacy Ratio (%)	0.48%	0.42%	0.48%	0.00%	0.00%
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\$ Being a financial institution, the same is not bifurcated.

Debt: Equity Ratio of the Issuer:-

Before the issue of debt securities (as on March 31, 2023)	7.88
After the issue of debt securities during the current FY (including bond issues made after March 31, 2023)	9.06

2.3.9 Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability - ₹4163.49 crore as per the audited results for the year ended September 30, 2023.

2.3.10 Brief history of the Issuer since its incorporation: -

SIDBI was established on April 2, 1990, under the Small Industries Development Bank of India Act, 1989, an Act of Parliament, as a wholly owned subsidiary of Industrial Development Bank of India.

In accordance with the provisions of Section 4B of the Small Industries Development Bank of India (Amendment) Act, 2000, GoI approved transfer of 23 crore (51.11 per cent) equity shares of SIDBI subscribed and held by IDBI to State Bank of India (SBI), Life Insurance Corporation of India (LIC), and other banks / institutions owned or controlled by Central Government. GOI, vide two notifications dated September 25, 2001, had specified the proportion of divestment of 23 crore SIDBI shares held by IDBI in favour of 35 institutions / public sector banks / insurance companies owned and controlled by the Central Government.

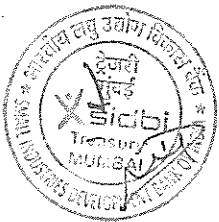
Currently, of the total paid-up equity capital of ₹569 crore, State Bank of India shareholding (15.65%), Government of India (20.85%), LIC of India (13.33%) and NABARD (9.36%) are the majority shareholders.

The SIDBI Act envisaged SIDBI to be the principal financial institution for the promotion, financing and development of industry in the small scale sector and to co-ordinate the functions of the institutions engaged in the promotion and financing or developing industry in the small scale sector and for matters connected therewith or incidental thereto.

a. Details of Share Capital as at last quarter end: -

SIDBI was established on April 2, 1990, under the Small Industries Development Bank of India Act, 1989, an Act of Parliament, as a wholly owned subsidiary of Industrial Development Bank of India. Pursuant to the Act, IDBI's portfolio relating to the small-scale industrial sector was transferred to SIDBI. In accordance with the provisions of Section 4B of Small Industries Development Bank of India (Amendment) Act, 2000, 80.79% of IDBI's equity stake in SIDBI was divested in favour of banks / institutions owned or controlled by Central Government.

Currently, the total paid-up equity capital of ₹569 crore is held by banks, financial institutions and insurance companies comprising mainly State Bank of India (15.65%), Government of India (20.85%), LIC of India (13.33%), NABARD (9.36%) and other majority shareholders.





Particulars		Amount (₹ crore)
(A)	Authorized Capital	
	Equity Capital	
	75,00,00,000 Equity Shares of ₹10 each	750
	Preference Capital	
	25,00,00,000 Redeemable Preference Shares of ₹10 each	250
	Total Authorized Capital	1,000
(B)	Issued, Subscribed and Paid-up Share Capital	
	56,85,41,169 Equity Shares of ₹10 each	569

b. Changes in its capital structure as at last quarter end, for the last three years:- No change in authorised capital structure. Issued and paid-up capital increased by ₹37 crore on August 14, 2015, ₹45 crore during July 2016 at a premium of ₹212.52 per share and by ₹36 crore during March 2022 at a premium of ₹388.54 per share.

c. Equity Share Capital History of SIDBI:-

No.	Date of Allotment	No. of Shares (Face Value of ₹10 each)	Issue Price (₹)	Total Paid Capital (₹)
1	First FY of Inception	45,00,00,000	10	450,00,00,000
2	August 14, 2015	3,69,82,250	10	36,98,22,500
3	June-September 2016	4,49,39,781	10	44,93,97,810
4	March 30, 2022	3,66,19,138	10	36,61,91,380
	Total	---	--	568,54,11,690

d. Details of any Acquisition of or Amalgamation with any entity in the last 1 year :- None

e. Details of any reorganization or reconstruction in the last one year – None

f. Details of the shareholding of the Company as at the latest quarter end:-

Shareholding as on September 30, 2023

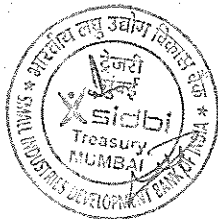
Sl. No.	Name of the Shareholder	No of shares held	% of Holding
1	Government of India	11,85,41,169	20.85%
2	State Bank of India	8,90,00,000	15.65%
3	Life Insurance Corporation of India	7,57,98,889	13.33%
4	National Bank for Agriculture & Rural Development	5,31,92,203	9.36%
5	Punjab National Bank	3,39,00,000	5.96%
6	Bank of Baroda	2,88,59,610	5.08%
7	National Housing Bank	2,60,00,000	4.57%
8	Canara Bank	2,56,59,610	4.51%
9	Union Bank of India	2,06,00,000	3.62%



10	Bank of India	1,51,00,000	2.66%
11	Central Bank of India	1,27,00,000	2.23%
12	United India Insurance Company Limited	83,00,000	1.46%
13	Export Import Bank of India	79,00,000	1.39%
14	IDBI Bank	70,89,688	1.25%
15	Indian Bank	63,00,000	1.11%
16	General Insurance Corporation of India	63,00,000	1.11%
17	National Insurance Company Limited	63,00,000	1.11%
18	New India Assurance Company Limited	63,00,000	1.11%
19	Oriental Insurance Company Limited	63,00,000	1.11%
20	Indian Overseas Bank	48,00,000	0.84%
21	Bank of Maharashtra	32,00,000	0.56%
22	Punjab & Sind Bank	32,00,000	0.56%
23	UCO Bank	32,00,000	0.56%
	Grand Total	56,85,41,169	100.00%

g. List of top 10 holders of equity shares of the Company as at the latest quarter end (September 30, 2023):

Sl. No.	Name of the Shareholder	No of shares held	% of Holding
1	Government of India	11,85,41,169	20.85%
2	State Bank of India	8,90,00,000	15.65%
3	Life Insurance Corporation of India	7,57,98,889	13.33%
4	National Bank for Agriculture & Rural Development	5,31,92,203	9.36%
5	Punjab National Bank	3,39,00,000	5.96%
6	Bank of Baroda	2,88,59,610	5.08%
7	National Housing Bank	2,60,00,000	4.57%
8	Canara Bank	2,56,59,610	4.51%
9	Union Bank of India	2,06,00,000	3.62%
10	Bank of India	1,51,00,000	2.66%





2.3.11 Details of directors:

A- Current Directors as on January 31, 2024

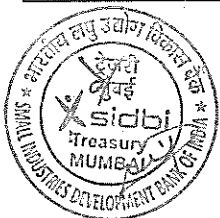
Sl. No.	Name of the Director, Designation and DIN	Age / Date of Birth	Address	Director since (Date of appointment on SIDBI Board)	List of other directorships
1	Shri Sivasubramanian Ramann Chairman & Managing Director DIN 07685657	57 years / 25 February 1966	Small Industries Development Bank of India SWAVALAMBAN BHAVAN, Avenue 3, Lane 2, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	19/04/2021	1 SIDBI Venture Capital Ltd. 2 SIDBI Trustee Company Ltd. 3 Micro Units Development & Refinance Agency Ltd 4 Credit Guarantee Fund Trust for Micro and Small Enterprises 5 Receivables Exchange of India Ltd. 6 Open Network for Digital Commerce 7 National Credit Guarantee Trustee Company Ltd. 8 Entrepreneurship Development Institute of India (EDII) 9 SIDBI Swavalamban Foundation 10 RXIL Financial Technologies Services Ltd
2	Shri Sudatta Mandal Dy. Managing Director (Whole Time Director) DIN 00942070	55 years / 20 April 1968	Small Industries Development Bank of India SWAVALAMBAN BHAVAN, Avenue 3, Lane 2, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	03/05/2021	1 Micro Units Development & Refinance Agency Limited 2 Receivables Exchange of India Ltd. 3 SIDBI Swavalamban Foundation 4 RXIL Global IFSC Limited 5 RXIL Financial Technologies Services Ltd
3	Shri Prakash Kumar Dy. Managing Director (Whole Time Director) DIN 06758416	55 years / 28 Sept 1968	Small Industries Development Bank of India SWAVALAMBAN BHAVAN, Avenue 3, Lane 2, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	07/11/2024	



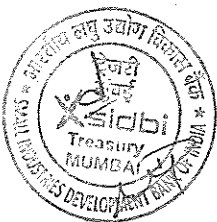
4	Dr Rajneesh Government Nominee Director/Non-Executive/Independent Director Additional Secretary & Development Commissioner (MSME) DIN : 07781942	49 years/23 Novemb er 1973	Ministry of Micro, Small and Medium Enterprises, Nirman Bhawan, Maulana Azad Road, New Delhi - 110 108	22/02/2023	
5	Shri Bhushan Kumar Sinha Government Nominee Director / Non executive / Independent Director Joint Secretary DIN 08135512	59 years / 20/07/1964	Department of Financial Services, Ministry of Finance, Jeevandeep Building, 3 rd Floor, Parliament Street, New Delhi 110 001	06/01/2023	1. Bank of India 2. IIFCL 3. National Bank for Financing Infrastructure and Development
6	Shri Anindya Sunder Paul; Nominee Director – SBI / Non Executive/Independent Director DIN: NA	55 Years/ 14/07/1968	5th Floor, SMEBU Department State Bank of India State Bank Bhavan, Nariman Point, Mumbai- 400 021	03/08/2023	
7	Shri Krishna Singh Nagnyal	61 years / 1 Feb 1962	House no. 6, Officer's Colony,	29/10/2021	-



	<p>Nominee Director – LIC</p> <p>(Directors nominated by three largest Shareholders)</p> <p>DIN 06857451</p> <p>/ Non Executive Director</p>		<p>Ramadi Aan Singh, P O – Fatehpur, Near Gandhi Ashram, Kaladungi Road, Haldwani, <u>Uttrakhand – 263 139</u></p>		
8	<p>Shri Shri Manikumar S</p> <p>Nominee Director – NABARD</p> <p>DIN 06857451</p> <p>(Directors nominated by three largest Shareholders)</p> <p>/ Non Executive Director</p>	<p>54 years 30/03/1970</p>	<p>NABARD Head Office, Secretary’s Department, 8th Floor, B Wing, Plot C - 24, G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051</p>	01/01/2024	NABSAMRUDDHI FINANCE LIMITED
9	<p>Shri G. Gopalakrishna</p> <p>Non Executive Director</p> <p>(Director Co-opted by the Board of SIDBI)</p>	<p>67 years / 11 Mar 1956</p>	<p>A2103, Lady Ratan Tower Danik Shivner Marg, Gandhinagar, Worli, Mumbai 400 018</p>	11/08/2018	<p>1 ICICI Home Finance Co. Ltd. 2 Risk and Compliance Professionals Association (Not for profit company) 3 Axis Mutual Fund (Trustee company) 4 ICICI Prudential Pension Funds Management Company Limited 5 Krazybee Services Pvt Ltd</p>



	DIN 06407040				
10	Smt. Nupur Garg Non Executive Director (Director Co-opted by the Board of SIDBI) DIN 03414074	49 years / 09 Aug 1974	Villa 72, The Palm Springs, DLF Phase V, Golf Course Road, Sector 54, Gurugram – 122 002	04/02/2019	1 Avyana Business Ventures Private Limited Winpe Development Forum 2 3 Growx Startups LLP (Individual Partner) 4 InnoVen Triple Blue Capital Advisors LLP (Shareholder) 5 InnoVen Triple Blue Capital Services LLP (Shareholder) 6 Kerala Infrastructure Fund Management Limited 7 Triumvirate Management Services Private Limited 8 Kids Clinic India Limited 9 Edelweiss Real Estate Managers Limited
11	Shri Amit Tandon Non Executive Director (Director Co-opted by the Board of SIDBI) DIN 01602336	63 years / 25 Oct 1960	Founder and Managing Director of Institutional Investor Advisory Services India Ltd, DGP House, Ground Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025	08/08/2021	1 Institutional Investor Advisory Services India Limited 2 IIAS Research Foundation 3 Foundation For Audit Quality 4 Narain Family Trust





B – Details of change in Directors since last three years:

1.1

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 Bhushan Kumar Sinha, (Joint Secretary,) Government Nominee Director / Non Executive /Independent Director DIN: 08135512	06/01/2023	NA	Nominated: Government of India, vide its notification dated January 6, 2023, nominated Shri Bhushan Kumar Sinha as a Director in the Board of SIDBI
2	Shri K. Sampath Kumar, Nominee Director – SBI / Non Executive /Independent Director DIN : 09706264	20/07/2022	03/08/2023	Cessation: Consequent upon SBI nominating Shri Anindya Sunder Paul on the Board in place of Shri K. Sampath Kumar, he ceased to be a member of the Board..
3	Dr. Rajneesh, (AS&DC, M/o MSME) Government Nominee Director/ Non Executive /Independent Director DIN : 07781942	22/02/2023	NA	Nominated: Government of India, vide its notification dated February 22, 2023, nominated Dr Rajneesh (AS&DC, M/o MSME), in place of Shri Shailesh Kumar Singh as a Director.
4	Shri Monomoy Mukherjee, Nominee Director – NABARD (Directors nominated by three largest Shareholders) / Non Executive /Independent Director DIN: NA	29/12/2021	NA	Nominated: NABARD vide its letter dated December 29, 2021, has nominated Shri Monomoy Mukherjee as its nominee Director on the Board of SIDBI in place of



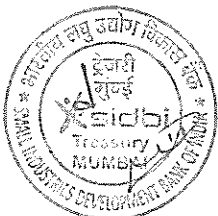
				Shri L. R. Ramachandran
5	Shri Krishna Singh Nagnyal, Nominee Director – LIC (Directors nominated by three largest Shareholders) / Non Executive /Independent Director DIN - 06857451	29/10/2021	NA	Nominated: LIC of India, vide its communication dated October 29, 2021, nominated Shri Krishna Singh Nagnyal on the Board w.e.f October 29, 2021 in place of Shri V. Sathya Kumar.
6	Shri Amit Tandon, Non Executive /Independent Director Director (Director Co-opted by the Board of SIDBI) DIN : 01602336	08/08/2021	NA	Co-opted: The Board at its 211th meeting held on August 7, 2021 co-opted Shri Amit Tandon as a Director for a period of three years from August 8, 2021.
7	Shri Sudatta Mandal, Dy. Managing Director/Executive Director (Whole Time Director) DIN - 00942070	03/05/2021	NA	Appointed: Government of India, vide its notification dated April 23, 2021, appointed Shri Sudatta Mandal as Deputy Managing Director.
8	Shri Sivasubramanian Ramann, Chairman & Managing Director/Executive Director (Whole Time Director) DIN - 07685657	19/04/2021	NA	Appointed: Government of India, vide its notification dated April 7, 2021, appointed Shri Sivasubramanian Ramann as Chairman and Managing Director.
9	Shri V. Satya Venkata Rao, Dy. Managing Director/Executive Director (Whole Time Director) DIN - 00334394	05/06/2020	04/06/2023	Cessation: Term of appointment of Shri V. Satya Venkata Rao expired on 04/06/2023.



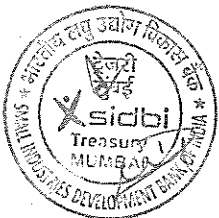
10	<p>Smt. Nupur Garg, Non Executive/Independent Director</p> <p>(Director Co-opted by the Board of SIDBI) DIN - 03414074</p>	04/02/2019	NA	<p>Co-opted: The Board at its 200th meeting held on February 04, 2019 co-opted Smt. Nupur Garg as a Director for a period of 3 years from the date of approval.</p> <p>Further, the Board at its 213th meeting held on February 2, 2022 has co-opted her for a further period of three years.</p>
11	<p>Shri G. Gopalakrishna, Non Executive /Independent Director</p> <p>(Director Co-opted by the Board of SIDBI)</p> <p>DIN - 06407040</p>	11/08/2018	NA	<p>Co-opted: The Board at its 197th meeting held on August 11, 2018 co-opted Shri G. Gopalakrishna as a Director for a period of 3 years from the date of approval.</p> <p>Further, the Board at its 211th meeting held on August 7, 2021 has co-opted him for a further period of three years.</p>
12	<p>Shri Ashish Gupta, Non Executive / Independent Director</p> <p>(Director Co-opted by the Board of SIDBI)</p> <p>DIN - 02715220</p>	11/08/2018	NA	<p>Co-opted: The Board at its 197th meeting held on August 11, 2018 co-opted Shri Ashish Gupta as a Director for a period of 3 years from the date of approval.</p> <p>Further, the Board at its 211th meeting</p>



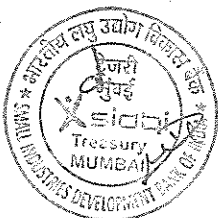
				held on August 7, 2021 has co-opted him for a further period of three years.
13.	Shri Anindya Sunder Paul Nominee Director – SBI (Directors nominated by three largest Shareholders) / Non Executive / Independent Director DIN- NA	03/08/2023	NA	Nominated: State Bank of India, vide its communication dated August 03, 2023, nominated Shri Anindya Sunder Paul on the Board with immediate effect in place of Shri K. Sampath Kumar
14	Shri Prakash Kumar Deputy Managing Director/Executive Director (Whole Time Director) DIN - 06758416	07/11/2023	NA	Appointed: Government of India, vide its notification dated November 06, 2023, appointed Shri Prakash Kumar as Deputy Managing Director.
15	Shri Manikumar S Director – NABARD (Directors nominated by three largest Shareholders) / Non Executive /Independent Director DIN: NA	01/01/2024	NA	Nominated: NABARD vide its letter dated October 12, 2023 has nominated Shri Manikumar S as its nominee Director on the Board of SIDBI in place of Shri Monomoy Mukherjee.
Director Ceased as on January 31, 2024				
1	Shri Ashish Gupta	11/08/2018	21/03/2023	Shri Ashish Gupta has resigned from the Board of SIDBI vide his mail dated March 22, 2023.
2	Shri Lalit Kumar Chandel	01/04/2022	05/01/2023	Consequent upon Government of India nominating Shri Bhushan Kumar Sinha on the Board in place of Shri Lalit Kumar Chandel, he ceased to be



				a member of the Board.
3	Shri B. Sankar	29/06/2021	19/07/2022	Consequent upon SBI nominating Shri K. Sampath Kumar on the Board in place of Shri B. Sankar, he ceased to be a member of the Board.
4	Shri Devendra Kumar Singh	05/06/2020	19/06/2022	Consequent upon Government of India nominating Shri Shailesh Kumar Singh on the Board in place of Shri Devendra Kumar Singh, he ceased to be a member of the Board.
5	Shri Pankaj Jain	01/01/2016	31/03/2022	Consequent upon Government of India nominating Shri Lalit Kumar Chandel on the Board in place of Shri Pankaj Jain, he ceased to be a member of the Board.
6	Shri L.R. Ramachandran	23/6/2020	28/12/2021	Consequent upon NABARD nominating Shri Monomoy Mukherjee on the Board in place of Shri L.R. Ramachandran, he ceased to be a member of the Board.
7	Shri V. Sathya Kumar	16/07/2019	28/10/2021	Consequent upon LIC nominating Shri Krishna Singh Nagnyal on the



				Board in place of Shri Sathya Kumar, he ceased to be a member of the Board.
8	Shri G K Kansal	29/6/2018	28/06/2021	Consequent upon SBI nominating Shri B. Sankar on the Board in place of Shri Kansal, he ceased to be a member of the Board.
9	Shri Manoj Mittal	22/01/2016	21/01/2021	Completed tenure of DMD as per GoI notification dated January 22, 2016.
10	Shri Mohammad Mustafa	28/08/2017	27/08/2020	Completed tenure of CMD as per GoI notification dated August 4, 2017.
11	Shri S.K. Bansal	28/02/2019	22/06/2020	Consequent upon NABARD nominating Shri L. R. Ramachandran on the Board in place of Shri S.K. Bansal, he ceased to be a member of the Board.
12	Shri Ram Mohan Mishra	01/01/2018	04/06/2020	Consequent upon Government of India nominating Shri Devendra Kumar Singh on the Board in place of Shri Ram Mohan Mishra, he ceased to be a member of the Board.
13	Shri Shailesh Kumar Singh	20/06/2022	22/02/2023	Consequent upon Government of India, vide its notification dated February 22, 2023, nominated Dr Rajneesh



				(AS&DC, M/o MSME), in place of Shri Shailesh Kumar Singh, he ceased to be a member of the Board.
14	Shri Bhushan Kumar Sinha	06/01/2023	04/06/2023	Consequent upon expiry of the term of Shri Bhushan Kumar Sinha, he ceased to be a member of the Board w.e.f. June 04, 2023
15	Shri V. Satya Venkata Rao	05/06/2020	04/06/2023	Completed tenure of DMD as per Gol notification dated May 28, 2020.
16	Shri K. Sampath Kumar	20/07/2022	03/08/2023	Consequent upon SBI nominating Shri Anindya Sundar Paul on the Board in place of Shri K. Sampath Kumar, he ceased to be a member of the Board.
17	Shri Monomoy Mukherjee	29/12/2021	31/12/2023	Consequent upon NABARD nominating Shri Manikumar S on the Board in place of Shri Monomoy Mukherjee, he ceased to be a member of the Board.

2.3.12 - Details of the auditor of the Issuer: -
a – Auditors of the issue.

Name	Address	Auditor since
M/s J Kala & Associates	504 Rainbow Chambers Near Kandivali Telephone Exchange S V Road, Kandivali (W) Mumbai – 400 05567 Contact No: 022- 28625129	October 2023



b. Details of change in auditor since last three years

Name	Address	Date of Appointment	Remarks
M/s. Borkar & Majumdar, Chartered Accountants	21/168, Anand Nagar Om CHS, Anand Nagar Lane, Vakola, Santa Cruz East, Mumbai 400 055	October 2020	Appointed as Statutory Auditor for FY 2020 to FY 2023.

2.2.13 Details of the liabilities of the issuer, as at the end of the last quarter or if available, a later date:-

a. Details of Outstanding Secured Loan Facilities as on September 30, 2023: -

(₹ in crore)

Lender's name/ Name of the Bank	Nature of facility/ instrument	Amount sanctioned	Principal Amount outstanding	Repayment date / schedule	Security, if applicable	Credit rating, if applicable	Asset classification
Punjab National Bank	Loan against Deposit with Overdraft Facility	27.00	7.40	On Demand	Against Long Term Foreign Currency Deposit placed with the Bank	NA	Standard

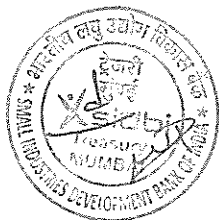
TRI-PARTY REPO SYSTEM [TREPS]

The Bank borrows under TREPS which is an RBI approved Money Market Instrument backed by gilts as collaterals. The outstanding borrowing under TREPS window as on September 30, 2023 was ₹20,799.46 crore.

b. Details of Outstanding Unsecured Loan Facilities as on September 30, 2023: -

(₹ in crore)

Lender's name/ Name of the Bank	Nature of facility/ instrument	Principal Amount outstanding	Repayment date / schedule	Security, if applicable	Credit rating, if applicable	Asset classification
PNB	WCDL	18800	On Demand	NA	NA	Standard
SBI	WCDL/STL	25000	On Demand	NA	NA	Standard



IDBI Bank Ltd	Day Light Limit	0.00	On Demand	NA	NA	Standard
Axis Bank Ltd	Day Light Limit	0.00	On Demand	NA	NA	Standard
Union Bank	WCDL	13000	On Demand	NA	NA	Standard
Central Bank of India	WCDL	4325	On Demand	NA	NA	Standard
Canara Bank	STL	13000	On Demand	NA	NA	Standard
Indian Overseas Bank	STL	3270	On Demand	NA	NA	Standard
Bank of Baroda	STL	10220	On Demand	NA	NA	Standard
Karnataka Bank Ltd.	STL	1000	On Demand	NA	NA	Standard
South Indian Bank	STL	1000	On Demand	NA	NA	Standard
Bank of India	WCTL	7000	On Demand	NA	NA	Standard
UCO Bank	STL	2500	On Demand	NA	NA	Standard
		99115				

c. Details of Outstanding Non-Convertible Securities:

List of bonds outstanding as on date are as under (excluding bonds where 'Call Option' has been exercised):-



Sl. No.	Description	Tenor (Yrs)	Coupon	Amount (₹ crore)	Date of Allotment	Date of Maturity	Date of Put / Call
1	INE556F08JS0	3 Years	5.24	1900	26-Mar-2021	26-Mar-2024	No Put/Call Option
2	INE556F08JT8	3 Years	4.97	550	17-Jun-2021	17-Jun-2024	No Put/Call Option
3	INE556F08JU6	3 Years	5.59	2500	21-Feb-2022	21-Feb-2025	No Put/Call Option
4	INE556F08JV4	3 Years and 1 Day	5.57	2500	02-Mar-2022	03-Mar-2025	No Put/Call Option
5	INE556F08JW2	3 Years and 1 Day	5.40	1525	16-Mar-2022	17-Mar-2025	March 18, 2024
6	INE556F08JX0	3 Years	5.70	1625	28-Mar-2022	28-Mar-2025	No Put/Call Option
7	INE556F08JY8	3 years and 2 days	7.15	2500	29-May-2022	02-06-2025	No Put/Call Option
8	INE556F08JX5	3 years and 3 days	7.15	3000	18-Jul-2022	21-Jul-2025	No Put/Call Option
9	INE556F08KA6	3 years and 3 days	7.25	3905	28-Jul-2022	31-Jul-2025	No Put/Call Option
10	INE556F08KB4	3 years 6 months and 9 days	7.11	4000	18-Aug-2022	27-Feb-2026	No Put/Call Option
11	INE556F08KC2	3 years 6 months and 1 day	7.23	4000	08-Sept-2022	09-Mar-2026	No Put/Call Option
12	INE556F08KD0	3 years and 13 days	7.75	4000	14-Oct-2022	27-Oct-2025	No Put/Call Option
13	INE556F08KE8	3 years and 10 days	7.47	4000	15-Nov-2022	25-Nov-2025	No Put/Call Option
14	INE556F16AC6	3 years 41 days	7.54	5000	02-Dec-2022	12-Jan-2026	No Put/Call Option
15	INE556F08KG3	3 years 23 days	7.59	5000	18-Jan-2023	10-Feb-2026	No Put/Call Option
16	INE556F08KH1	3 years 3 months and 9 days	7.43	5000	19-May-2023	31-Aug-2026	No Put/Call Option
17	INE556F08KI9	3 years 2 months and 26 days	7.44	6000	09-June-2023	04-Sept-2026	No Put/Call Option
18	INE556F08KJ7	3 years 2 months and 23 days	7.55	3000	28-June-2023	22-Sept-2026	No Put/Call Option
19	INE556F08KK5	3 Years and 6 Months	7.79	3022.29	19-Oct-2023	19-Apr-2027	No Put/Call Option
20	INE556F08KL3	5 years	7.83	4887	24-Nov-2023	24-Nov-2028	No Put/Call Option
21	INE556F08KM1	3 Years and 5 Months	7.79	4013	22-Dec-2023	14-May-2023	No Put/Call Option





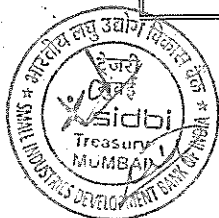
22	INE556F08KN9	3 Years 4 Months and 22 Days	7.75	4255	19-Jan-2024	10-Jun-2027	No Put/Call Option
		Total		76182.29			

c. List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

Sl. No.	Name	Category	Amount (in ₹ crore)	Holding of debt Securities as a percentage of total debt securities outstanding of the issuer (%)
1	HDFC Mutual Fund	MF	14685.50	11.66%
2	NPS TRUST- A/C	NIA	8937	7.10%
3	ICICI Prudential Mutual Fund	MF	8857.00	7.03%
4	State Bank Of India	Bank	7540.00	5.99%
5	Aditya Birla MF	MF	7292.50	5.79%
6	SBI MF	MF	7220.00	5.73%
7	Kotak Mahindra Mutual Fund	MF	6749.00	5.36%
8	Bandhan MF	MF	5140.00	4.08%
9	Axis MF	MF	4519.10	3.59%
10	EPFO	MF	3680.10	2.92%

d. Details of outstanding Commercial Paper/ Certificate of Deposit as on January 31, 2024:

COMMERCIAL PAPER			
Sl.no.	ISIN	Maturity Date	Outstanding Amount (₹ crore)
1	INE556F14JL3	15-Feb-24	3775
2	INE556F14JT6	28-Feb-24	900
3	INE556F14JB4	15-Mar-2024	2000
4	INE556F14JV2	15-Mar-2024	5000



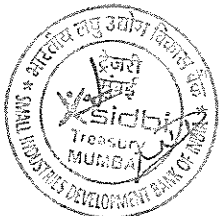
5	INE556F14JW0	02-Apr-2024	1000
6	INE556F14JX8	10-Apr-2024	1399
	Total		14074
Certificate of Deposit			
Sl.no.	ISIN	Maturity Date	Outstanding Amount (₹ crore)
1	INE556F16AC6	14-Feb-2024	1,600.00
2	INE556F16AG7	14-Mar-2024	2,035.00
3	INE556F16AH5	27-Mar-2024	2,700.00
4	INE556F16AI3	24-April-2024	2,750.00
5	INE556F16AJ1	29-May-2024	2,275.00
6	INE556F16AK9	06-June-2024	5,500.00
7	INE556F16AL7	21-June-2024	2,850.00
8	INE556F16AM5	11-Dec-2024	3,425.00
9	INE556F16AN3	18-Dec-2024	3,125.00
10	INE556F16AO1	10-Jan-2025	2515.00
11	INE556F16AP8	16-Jan-2025	3775.00
	Total		32,550

- e. Details of the rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2023:

Type of Instrument	Amount Outstanding (in ₹ crore)
Fixed Deposit	11469.39
Deposit from Banks	168429.53
Borrowing from GOI	471.60
Borrowing outside India	3629.73

Fixed Deposit – SIDBI has a fixed deposit scheme under which deposits are accepted from public for a period ranging between 12 Months to 60 Months. The total deposit outstanding under this scheme was ₹11469.39 crore as on September 30, 2023.

Deposit from Banks – Comprises funds received from various Banks as advised by RBI against priority sector lending shortfall viz. (a) MSME (Refinance) Fund (b) MSME (Risk Capital) Fund (c) MSME India Aspiration Fund and (d) MSME Venture Capital Fund were established with SIDBI with contribution from the domestic scheduled commercial banks. The outstanding under this Fund as on September 30, 2023, was ₹168,429.53 crore.





Borrowing from GoI – Borrowing from GoI comprises funds received from JICA Line of Credit IV and IDA Line of Credit, which were routed through GoI,

Borrowing outside India - SIDBI has been accessing Lines of Credit from bilateral / multilateral partners basically to ensure the availability of timely and cost effective credit to MSMEs in the country and to meet certain specific credit needs such as micro finance, financing cleaner production technologies in MSMEs, Energy Efficiency financing, etc. SIDBI has availed lines of credit from JICA (Japan), KfW (Germany), IFAD (Rome), World Bank, ADB, AfD (France). The outstanding amounts as on September 30, 2023, are given in the following table:

Agency	Amount Outstanding (₹ crore)
KfW, Germany	253.61
JICA, Japan	795.40
IFAD, Rome	101.18
World Bank	2,438.76
Others	40.79
TOTAL	3629.73

2.3.14 Details of any outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or part, (b) at a premium or discount, or (c) in pursuance of an option- None

2.3.15 Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Managements shall be provided for the last Audited financials : - Not Applicable.

2.2.16 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year -

SIDBI has a consistent record of paying principal instalments and interest on all loans, Bonds and deposits on due dates. There has been no default / delay in servicing of debt.

2.2.17 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may

affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities - None

2.2.18 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company – None



2.2.19 Details of default and non-payment of statutory dues - *None*

2.3.20 The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee - *SIDBI has appointed SBICAP Trustee Company Ltd to act as Trustee for the Bondholders (hereinafter referred to as "The Trustee") and SBICAP Trustee Company Ltd has given its consent vide letter dated May 15, 2023. However, as bonds are being issued on a private placement basis, a separate undertaking under Regulation 4(4) has not been obtained.*

2.3.21 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.- *Not applicable*

2.3.22 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention - *As per term sheet*

2.3.23 Disclosures pertaining to wilful defaulter - *None of our members are wilful defaulter.*

2.3.24 Undertaking by the Issuer - *Given at Annexure*

2.3.25 Risk factors - *The Bonds are unsecured in nature.*

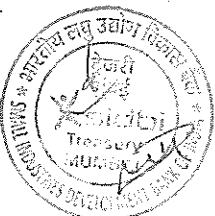
- a) Risks in relation to the non-convertible securities- **All Bonds being issued under this Disclosure Document are unsecured . The claims of the investors in the Bonds being issued as long term Bonds shall rank *pari passu* along with claims of other uninsured, unsecured creditors. These Bonds are not redeemable at the option of the Holders and does not carry call or put option.**
- b) The Bonds are unsecured in nature and therefore, security is not required to be created.
- c) Stock exchange has not refused listing of any security of the issuer during preceding three financial years and in the current financial year in India or abroad. There is no assurance that the NCDs issued pursuant to this issue may be listed on the stock exchange in a timely manner or at all.
- d) These Bonds are newly issued and there is no assurance of existence of active market and /or liquidity in the trading market of these bonds. We do not have any obligation to maintain any such market in case it exists. The liquidity in the market is dependent upon market conditions, economic condition and other factors.
- e) There is no default in compliance with financial covenants and condition of outstanding debt instruments or deposits or borrowings.
- f) All outstanding bonds issued are unsecured in nature and hence there is no obligation on us for creation of any security.
- g) There is no default in payment of interest, default in redemption or repayment and no penal interest is incurred on account of any default.
- h) SIDBI is an All India Financial Institution and is not required to create the debenture redemption reserve in view of Rule 18 (7)(b)(i) of the Companies (Share Capital and Debentures) Rules, 2014.

2.3.26 Directors Declaration - *Given at Annexure*

2.3.27 In case of an issue of non-convertible redeemable preference shares, the following specific disclosure on the nature of the instrument in bold, on the cover page.... - *Not applicable*

2.3.28 Other details

- a. **Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability - No Debenture Redemption Reserve is required to be**





created for the Issue. The Government of India, Ministry of Company Affairs vide General Circular No. 9/2002 No.6/3/2001-CL.V dated April 18, 2002 clarified inter alia that All India Financial Institutions need not required to create Debenture Redemption Reserve as specified under Section 117C of the Companies Act, 1956. SIDBI has appointed a Debenture Trustee to protect the interest of investors.

b. **Issue/instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines, etc.)** - The proposed issue will be governed by the provisions of the Small Industries Development Bank of India Act, 1989 (as amended under Small Industries Development Bank of India (Amendment) Act, 2000) read with Small Industries Development Bank of India (Issue and Management of bonds) Regulations, 1990, as amended by Small Industries Development Bank of India (Issue and Management of Bonds) Amendment Regulations 2001. The proposed issue is also in accordance with RBI Master Circular dated July 1, 2016 on resource raising norms for Financial Institutions.

c. **Default in Payment** - 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.

d. **Delay in Listing** - In case of delay in listing of securities issued on privately placement basis beyond the timelines specified above, the issuer shall:

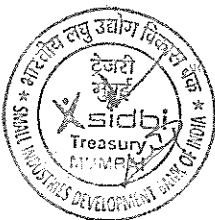
pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing); and

be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.

e. **Delay in allotment of securities** - In case of any delay in allotment of the debt securities beyond the stipulated timelines, the Issuer will comply with the applicable regulatory requirements, if any relating to such delay.

f. **Issue details: As per Information memorandum**

g. **Application process – How to Apply** - Application Forms with copies of the Disclosure Document may be obtained from the Office of SIDBI or Arranges to the Issue. Application for the Bonds must be made in the prescribed Bond Application Form attached and must be completed in block letters in English by investors. All applicants are requested to tick the relevant column "Category of Investors" in the Application Form. Bonds Application forms must be accompanied by either NEFT / RTGS transactions, made in favour of "NSCCL". The full amount of the face value of the Bonds applied for has to be paid along with the delivery of the fully completed and executed Bond Application Form together with other applicable documents described at the time of the issue. The issuer assumes no responsibility for any applications lost in mail or transit. Application not made out in the manner prescribed herein and the prescribed Application Forms will be rejected and the application money thereof will be refunded without payment of interest. All Applicants should mention their Permanent Account Number (PAN) or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District.



2.3.29 Other details in case of non- convertible redeemable preference shares issue..... – *Not applicable*

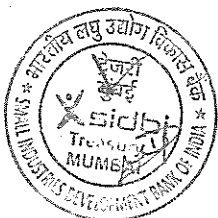




Summary of terms

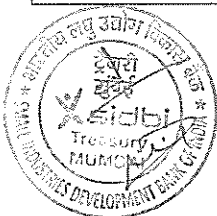
1. Issue Terms

Security Name	7.68% SIDBI 2028 - Series VIII of FY 2023-24
Issuer	Small Industries Development Bank of India (SIDBI)
Type / Nature of Instrument	Unsecured, Redeemable, Non-Convertible Debentures, Taxable, Non Priority Sector Bonds
Seniority	The bonds rank as senior debt on par with all the other borrowings of the Bank
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 <ul style="list-style-type: none"> ➤ 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 /Institutions. ➤ 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	<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 closure of the issue.</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</p> <p>be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.</p>



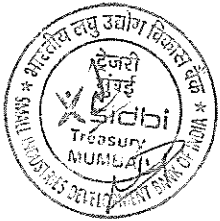
Rating	"CRISIL AAA" by CRISIL Limited dated January 10, 2024 "CARE AAA" by CARE Ratings Limited dated January 25, 2024
Issue Size	₹1500 crore with Green Shoe Option upto ₹3500 crore
Minimum subscription	Minimum lot - ₹1 lakh Base size of the issue - ₹1500 crore
Option to retain oversubscription	Yes
Objects of the issue	To utilise 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.

Details of utilization 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.
Coupon Rate	7.68% 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
Step Up/ Step Down Coupon Rate	Not Applicable
Coupon Payment Date	Annually as per cash flow schedule
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count basis/ Computation of Interest	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	3 Years 4 months and 27 days from the deemed date of allotment
Redemption Date	July 09, 2027
Redemption Amount	At par
Redemption Premium / Discount	At par, on completion of the tenor of the instrument
Issue Price	₹1,00,000 per bond
Discount at which	Not Applicable



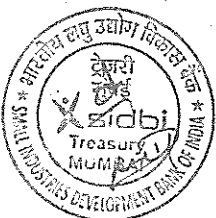


Security is issued and the effective yield as a result of such discount		
Put Option Date	Not applicable	
Put Option Price	Not applicable	
Call Option Date	Not applicable	
Call Option Price	Not applicable	
Put Notification Time	Not applicable	
Call Notification Time		
Face Value	₹1,00,000 per bond	
Minimum Application	One bond/debenture having face value of ₹1 lakh and in multiples thereof.	
Issue Timing	Issue Opening Date	February 08, 2024
	Issue Closing Date	February 08, 2024
	Pay-in Date	February 12, 2024
	Deemed Date of Allotment	February 12, 2024
Issuance Mode of the Instrument	Only in Demat form	
Settlement Mode of the Instrument	By way of NEFT/RTGS	
Manner of Settlement	Through Clearing corporation	
Settlement Cycle	T+2, where T is the issue date	
Depository's Name	NSDL/CDSL	



<p>Holiday Convention</p>	<p>If any coupon payment date falls on a day that is not a Business Day (Saturday / Sunday / Holiday) in Mumbai, the payment shall be made by the Issuer on the immediately on the succeeding Business Day. Interest will not be paid upto the date of payment extended.</p> <p>If the Redemption Date (as also the last coupon date) of the Bond falls on a day that is not a Business Day (Saturday / Sunday / Holiday) in Mumbai, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day alongwith interest accrued on the bonds until but excluding the date of payment. In the event the record date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date.</p> <p>In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (<i>Actual/Actual day count convention</i>) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times.</p>
<p>Record Date</p>	<p>15 calendar days prior to each Coupon Payment / Redemption Date</p>
<p>All Covenants of the issue (including side letters, accelerated payment clause, etc.)</p>	<p>As per Debenture Trust Deed.</p>
<p>Creation of Recovery Expense fund</p>	<p>Recovery Expense Fund has been created with the NSE Ltd for ₹25,00,000/- on March 09, 2021.</p>
<p>Conditions for breach of covenants</p>	<p>Default shall have occurred in the performance of any other covenants, conditions or agreements on the part of the issuer under this Deed or the other Transaction Documents or deeds entered into between the Issuer and the Bondholder(s)/Beneficial Owner(s)/Bond Trustee and such default shall have continued for a period of thirty days after notice in writing thereof been given to the Issuer by the Bondholder(s)/Beneficial Owner(s)/Bond Trustee for remedying such default.</p>
<p>Risk Factors pertaining to the Issue</p>	<p>The Bonds are unsecured in nature. The recovery of 100% of outstanding amount shall depend on the market scenario prevalent at the time of enforcement of the Bonds pursuant to Event of Default.</p>
<p>Transaction Documents</p>	<p>Refer Information Memorandum (IM) of the issue.</p>
<p>Events of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)</p>	<p>Refer Information Memorandum (IM) of the issue.</p>
<p>Conditions Precedent/ Subsequent to Disbursement</p>	<p>None</p>

Provisions related to Cross Default Clause	Refer Information Memorandum (IM) of the issue.																														
Role and Responsibilities of Debenture Trustee	Refer Information Memorandum (IM) of the issue.																														
Security	Not Applicable (Unsecured)																														
Governing law and jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals in the State of Maharashtra.																														
Debenture Trustee	SBICAP Trustee Company Limited Mistry Bhavan, 4 th Floor 122 Dinshaw Vachha Road Churchgate Mumbai – 400 020 T: (91) (22) 4325555. https://sbicaptrustee.com																														
Arrangers of the Issue	Through Electronic Bidding Platform (EBP) of NSE As per SIDBI's Arranger Policy uploaded on EBP for current issue Minimum Quantum for Arrangership: ₹ 100 crore Arrangership Fee: 0.03%																														
	<table border="1"> <thead> <tr> <th>Sr</th> <th>Name</th> <th>Amt (₹ cr)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>YES BANK LIMITED</td> <td>115.00</td> </tr> <tr> <td>2</td> <td>Trust Investment Advisors Private Limited</td> <td>102.30</td> </tr> <tr> <td>3</td> <td>HDFC BANK LIMITED</td> <td>100.00</td> </tr> <tr> <td>4</td> <td>ICICI BANK</td> <td>100.00</td> </tr> <tr> <td>5</td> <td>ICICI SECURITIES PRIMARY DEALERSHIP LIMITED</td> <td>100.00</td> </tr> <tr> <td>6</td> <td>JM Financial LIMITED</td> <td>100.00</td> </tr> <tr> <td>7</td> <td>UNION BANK OF INDIA</td> <td>100.00</td> </tr> <tr> <td>8</td> <td>PNB GILTS LIMITED</td> <td>100.00</td> </tr> <tr> <td>9</td> <td>TIPSONS CONSULTANCY SERVICES PVT LTD</td> <td>100.00</td> </tr> </tbody> </table>	Sr	Name	Amt (₹ cr)	1	YES BANK LIMITED	115.00	2	Trust Investment Advisors Private Limited	102.30	3	HDFC BANK LIMITED	100.00	4	ICICI BANK	100.00	5	ICICI SECURITIES PRIMARY DEALERSHIP LIMITED	100.00	6	JM Financial LIMITED	100.00	7	UNION BANK OF INDIA	100.00	8	PNB GILTS LIMITED	100.00	9	TIPSONS CONSULTANCY SERVICES PVT LTD	100.00
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Registrar and Transfer Agents	Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083 Tel: 022-49186000 ; Fax: 022-49186060 Website: www.linkintime.co.in																														
Other Conditions: (i) Multiple bids by an investor: Investors are now permitted to place multiple bids in an issue. (ii) 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. (iii) Pay-in of funds through clearing corporation of stock exchanges on T+2, where T is the issue day.																															



SIDBI reserves the right to change schedule of the issue including early closure/ cancellation without prior consent of investors or arrangers. SIDBI also reserves the right to alter the lot size and/ or reject the application if any of the above terms and conditions is not fulfilled. SIDBI will not pay any interest on the amount so refunded.

2. Material contracts, agreements and documents:

- a) Board Resolution dated May 12, 2023 regarding raising of resources for FY 2024.
- b) Consent from the Trustees to the Bond-holders and Registrars to the Issue referred to in this Disclosure Document to act in their respective capacities.
- c) Balance Sheet and Profit & Loss Statement of the Bank for the period ended March 31, 2023.
- d) Letter from CARE Ratings Limited and CRISIL Limited giving the credit rating to the Bonds to be issued by SIDBI.
- e) Tripartite agreement between SIDBI, National Securities Depository Limited and Link Intime India Private Limited.

3. Deemed Date of Allotment

Deemed date of allotment will be as per the terms of the Bond Issue. All the benefits under the Bonds will accrue to the investor(s) from the deemed date of allotment.

4. An Undertaking that the Issuer shall use a common form of transfer The securities will be issued in a de-materialized ("Demat") form.

5. Issue of Bonds in Dematerialised Form

SIDBI shall issue bonds in dematerialized form and has made necessary arrangements with National Securities Depository Limited (NSDL) for the same. Investors shall hold the Bonds in dematerialised form and deal with the same as per the provisions of 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 in the application form. SIDBI shall take necessary steps to credit the Bonds allotted to the Depository Account of the investor with the amount of bonds issued.

SIDBI will make allotment of Bonds to Investors in due course after verification of the application form, the accompanying documents and on realisation 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.

6. Mode of Transfer/ Transmission of Bonds

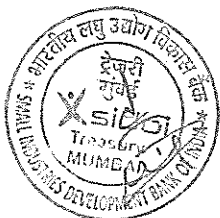
The Bond(s) now being issued shall be transferable and/or transmittable in accordance with the applicable provisions of law including SIDBI Act and be subject to the same restrictions and limitations as per the SIDBI (Issue and Management of Bonds) Regulations, 1990, as amended from time to time. The bonds shall be transferred subject to and in accordance with the rules/ procedures relating to transfer / transmission of bonds as prescribed by the NSDL and any other applicable laws and rules notified in respect thereof. The depository – NSDL will affect the necessary transfers. The concerned depositories shall inform the Registrars about the rightful owners of the bonds for payment of interest and principal amount. In case of transfer from one Demat holder to another Demat holder, the seller will give delivery instructions containing details of the buyer's DP account to his Depository Participant.

7. Payment of Interest

The interest will be payable to the Beneficiaries as per the Beneficiary list (in respect of the Bonds) provided by the Depository as on the Record Date. The interest payment shall be made at such frequency as mentioned in the Disclosure Document, except at the time of redemption when the interest shall be paid on the date of redemption.

8. Interest on Application Money

Interest at the applicable Coupon rate (subject to deduction of tax at source as required and at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate under the same will be issued by the Issuer) will be paid on the application money. Such interest shall be paid for the





period starting from and including the date of realisation of the application money in Issuer's Bank Account up to but not including the Deemed Date of Allotment. The interest on application money will be computed as per Actual/ Actual day count convention. Such interest would be paid on all valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money. The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s), as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant. Interest on application money along with refund of application money, if any, may also be paid by way of NEFT / RTGS transactions.

9. Tax Deduction at Source (TDS)

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate /document must be lodged by the Bondholders at the office of the Registrar & Transfer Agent of the Issuer at least 30 days before the interest payment becoming due and if required, be submitted afresh annually and/or as and when called upon for the same by the Issuer or its Registrar & Transfer Agent. Tax exemption certificate, if any, for non-deduction of tax at source on interest on application money, must be submitted along with the application form to the satisfaction of the Issuer. Failure to comply with the above shall entitle the Issuer to deduct tax at source as may be required under the provisions of law.

10. Redemption and Payment on Redemption

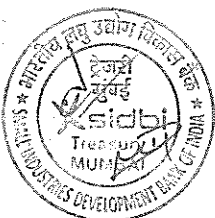
The Bonds shall be redeemed at par at the expiry of the tenor. The payment on redemption will be made in the name of the sole holder or first holder (in case of joint holders) whose name appears in the list of beneficial owners provided by the depository on the Record Date. The Bonds shall be taken as discharged on payment of the last redemption amount by the Issuer (or the Trustee) to the beneficiaries as per the beneficiary list and the liability of SIDBI shall stand extinguished. These Bonds will be simultaneously extinguished through appropriate debit corporate action. On such payment being made, the Issuer will inform the Depository concerned and accordingly the account of the Bondholders with the Depository concerned will be adjusted. The Issuer's liability to the Bondholder in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity in all events save and except the Bondholder's right of redemption as stated above if any Bond is not fully redeemed on maturity. On the Issuer dispatching the payment instrument or crediting the designated bank account operated by the Bondholder / Trustee to the Bondholder towards payment of the interest and/or of the redemption amount as specified above, the liability of the Issuer in respect of the Bonds shall stand extinguished.

11. Depository Arrangement

SIDBI has entered into depository arrangements with National Securities Depository Limited (NSDL). SIDBI has signed tripartite agreement dated February 10, 2012 with, National Securities Depository Limited (NSDL) and the R&T Agent viz Link Intime India Private Limited.

12. Effect of Holidays

If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.



In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (*Actual/Actual day count convention*) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day (Saturday/Sunday/Holiday) in Mumbai, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

In the event the Record Date falls on a day which is not a Business day, the immediately succeeding Business Day will be considered as the Record Date.

Payment of interest / redemption shall be made only on the days when the money market is functioning in Mumbai.

13. Right to Accept or Reject Applications

The Issuer is entitled at its sole and absolute discretion to accept or reject an application, in part or in full, without assigning any reason thereof. The application form, which is not complete in all respects, shall be liable to be rejected. The rejection of any application would be intimated by the Issuer along with the refund of the application money but without having to assign any reason for any rejection.

14. Record Date & Shut Period

The record dates for corporate actions such as payment of interest, redemptions, put/call options, etc. will be 15 days prior to the date of corporate actions. For instance, in case the corporate action is due on May 23, the record date will be May 8th. There will be no 'shut' period in respect of payment of interest or for part-redemptions. For redemptions, the shut period will be 15 days prior to the date of corporate action.

15. Right of Issuer to Purchase, Re-Sell & Re-Issue Bonds

SIDBI will have the power, exercisable at its absolute discretion, from time to time to repurchase some, or all of its bonds at discount / par / premium, in the open market or otherwise in the secondary markets at any time prior to the specified date of redemption. In the event of the Bonds being bought back, SIDBI shall be deemed to have always the right to re-issue the Bonds. Such Bond(s) may, at the option of the Bank, be cancelled, held or resold at such a price and such terms and conditions as the Bank may deem fit and as permitted by law.

Where the Issuer has redeemed any such Bonds, the Issuer shall have and shall be deemed always to have had the right to keep such Bonds alive for the purpose of reissue and in exercising such right, the Issuer shall have and shall be deemed always to have had the power to re-issue such Bonds either by reissuing the same Bonds or by issuing other Bonds in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Issuer may deem fit.

16. Register of Bondholders

SIDBI shall request the Depository viz. NSDL and/or CDSL, as the case may be, to provide a list of bondholder(s) on the record date as mentioned in the offer document. This shall be the list which shall be considered for payment of interest and repayment of principal.

17. Amendment of the Terms of the Bonds Issue

The rights, privileges, terms and conditions attached to the Bonds(s) may be varied, modified or abrogated with the consent in writing of the holder(s) who hold(s) at least three-fourth of the outstanding amount of the Bond(s) or with the sanction accorded pursuant to a Special Resolution, passed at a meeting of the Bondholder(s), (by not less than 3/4th of the Bondholder(s) present and voting at the meeting); provided that nothing in such consent or resolution shall be





operative against SIDBI where such consent or resolution modifies or varies the terms and conditions of the Bonds(s), if the same are not acceptable to SIDBI.

18. Future Borrowings / Issues

SIDBI will be entitled to borrow /raise loans or avail financial assistance both from Domestic and International market as also issue Debenture/ Bonds /shares/ other securities in any manner having such priorities or securities and on terms and conditions as may be decided by the Board of SIDBI without consent of or intimation to Bondholders or Trustees in this connection.

19. Basis of Allotment

The basis of allocation / allotment of Bonds issued under this will be decided by the Issuer in consultation with the Arrangers. The Issuer reserves the right to reject in full or partly any or all the offers received by them to invest in these Bonds without assigning any reason for such rejection. SIDBI may stop accepting subscription at any time during the Private Placement.

20. Trustee to the Bondholders

SIDBI has appointed SBICAP Trustee Company Ltd to act as Trustee to the Bondholders. SIDBI and the Trustee will enter into a Trustee Agreement, specifying inter alia, the powers, authorities and obligations of the Trustees and SIDBI. The bond holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the bondholders. Any payment made by SIDBI to the trustees on behalf of the bondholders shall discharge SIDBI pro tanto to the bondholders. No bondholder shall be entitled to proceed directly against SIDBI unless the Trustees, having become bound to proceed, fail to do so.

The maximum contract value would be ₹2.45 Lakh including GST which also include Annual Trusteeship Fee of ₹23600/- each for FY 2027, FY 2028 and FY 2029 for issuance that would be raised during FY 2026 and maturing in next 3 years. However, actual payment of Annual Service Fee during first year i.e. FY 2024 and last year's i.e., FY 2028 / FY 2029 would be on proportionate basis.

21. Role, Power and Obligations of Trustees

The major causes relating to the general rights, powers and discretions of the Trustees shall be as under. These are in addition to other powers conferred on the Trustees and provisions for their protection.

- (i) The Trustees may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Bank or by the Trustees and shall not be responsible for any loss occasioned by so acting;
- (ii) The Trustees shall not be bound suo-motto to take any steps to ascertain whether any event of default has happened;
- (iii) Save as herein otherwise expressly provided the Trustees shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof;
- (iv) The Trustee shall not be responsible for bonafidely acting upon any resolution purporting to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed;
- (v) Without prejudice to the rights to indemnity by law given to the Trustee, the Trustee and every Receiver, Attorney, Manager, Agent or other person appointed by them shall, subject to whatever stated above, be entitled to be indemnified in respect of all liabilities and expenses incurred by them or him in the execution or purported execution of the powers and trusts thereof



including liabilities and expenses consequent to any bonafide mistake on the part of the Trustee or any such appointee and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way.

22. Power of Trustees to delegate

The Trustee hereof being a Company may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an officer or officers for the time being of the Trustee and the Trustee may also, whenever they think it expedient, delegate by Power of Attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in them be these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustee may think fit.

23. Powers of Trustees to employ agents

The Trustee may, with prior consent of SIDBI, in carrying out the trust business, employ and pay any person or concur in transacting any business and do or concur in doing all acts required to be done by the Trustee including the receipt and payment of moneys and shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them in connection with the trusts hereof and also their reasonable charges in addition to the expenses incurred by them in connection with matters arising out of or in connection with these presents.

24. Resignation and Removal of Trustees Resignation

The Trustee may at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the trustee, provided that they shall continue to act as Trustee until a successor trustee is appointed by SIDBI. SIDBI shall, upon receipt of notice of resignation issued by the Trustee, take prompt steps to appoint another entity competent to act as trustee for the Bondholders in place of the Trustee (the Successor Trustee).

Removal

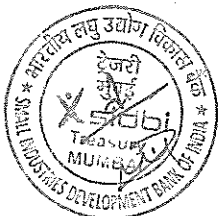
SIDBI may for sufficient cause but, after giving not less than two month's notice in writing, remove the Trustee and nominate an entity competent to act as their trustee and complete all necessary formalities to give effect to such appointment.

25. Events of Default:

- a) Default in payment of principal sums of the bonds: Default has occurred in the payment of principal sums of the Bonds on the due dates.
- b) Default in payment of interest: Default has occurred in payment of any instalment of interest (interest of at least ₹1lakh) on the bonds and such default has continued for a period of thirty days after notice in writing has been given to SIDBI by the Bondholders / Trustee.
- c) Default in performance of covenants and conditions: Default has occurred in the performance of any other covenants, conditions or agreement on the part of SIDBI under this Agreement and any other agreement and such default has continued for a period of thirty days after notice in writing thereof has been given to SIDBI by the Bondholders/Trustees.
- d) Supply of misleading information: Any information given by SIDBI in the Disclosure Document for Bonds, in the reports and other information furnished by SIDBI in accordance with the Reporting System and the warranties given/deemed to have been given by SIDBI to the Bondholders/ Trustees is misleading or incorrect in any material respect.
- e) Extra-ordinary circumstances: If extraordinary circumstances have occurred which make it improbable for SIDBI to fulfill its obligations under the trust deed.

26. Rights of the Bondholder

The rights and privileges available to the Bond Holders are subject to the provisions and modifications of the SIDBI Act, 1989, as amended from time to time and the SIDBI (Issue and Management of Bonds) Regulations 1990, as amended from time to time, the terms of this Disclosure Document and Application Form. Over and above such terms and conditions, the Bond(s) shall also be subject to the other terms and condition as may be incorporated in the Trustee's Agreement/Letters of Allotment/guidelines, notifications and regulations relating to the issue of capital/debt and listing of Securities issued from time to time by the Government of India and /or other authorities and other documents that may be executed in respect of the bond(s).





The Bondholder will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Bonds issued under this Offer Document shall not confer upon the Bondholder the right to receive notice, or to attend and vote at the general meetings of shareholders or the holders of Bonds issued under any other series or issued other than under this Disclosure Document or of any other class of securities of the Issuer.

27. Modification of Rights

The Bondholders' rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds (or through the Trustee to the Bondholders) who hold at least three-fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against or bind the Issuer (or any third party security provider) in any manner where such consent or resolution modifies or varies the terms and conditions of the Bonds which are not acceptable to the Issuer.

28. Succession

In the event of demise of the Bond holder, SIDBI will recognize the executor or administrator of the deceased Bond holder, or the holder of succession certificate or other legal representative as having title to the Bonds in accordance with the provision of the Small Industries Development Bank of India (Issue and Management of Bonds) Regulations 1990 as amended by Small Industries Development Bank of India (Issue and Management of Bonds) Amendment Regulation, 2001. SIDBI shall not be bound to recognize such executor, administrator or holder of the succession certificate or other legal representative as having title to the Bonds, unless such executor or administrator obtains probate of letter or administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a competent Court in India having jurisdiction over the matter. SIDBI may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bonds standing in the name of the deceased Bond holder on production of sufficient documentary proof or indemnity.

29. Nomination

Only individuals applying as Sole Applicant/ Joint Applicant can nominate, in the prescribed manner, a person who shall in the event of death of the sole applicant or all the joint applicants be entitled to the amount payable by SIDBI in respect of the bond. Non-individuals, body corporate, holder of power of attorney cannot nominate. The nomination made at the time of application may be substituted or cancelled at a later date by a request in writing to SIDBI or Registrars to the Issue, signed by all the bondholders. A nomination shall stand rescinded upon the transfer of the Bond by the person nominating. A transferee will be entitled to make a fresh nomination for which request in writing should be made to SIDBI or the Registrars to the Issue. When the Bonds are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders.

30. Mode of Making Payment

- Successful bidders should do the funds pay-in to the bank account of NSCCL appearing on the EBP.
- Successful bidders must do the funds pay-in to the Designated Bank Account upto 10:30 am on the Pay-in Date.
- Funds pay-out would be made by NSCCL to the following bank account of the issuer:

Name of the Bank	Branch Address	IFSC Code	Account number
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STATE BANK OF INDIA	BANDRA COMPLEX, BANDRA EAST, MUMBAI 400051	KURLA SBIN0004380	00000010996685010
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31. Who can apply?

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:-

- 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 /Institutions.
- Individuals (excluding Minors & NRIs) to whom this Disclosure Document is specifically addressed
- Foreign Institutional Investors (FIIs) as per SEBI / RBI regulations

Note: The above list is only illustrative and not exhaustive. Investors should check about their eligibility before making any investment.

The application must be accompanied by certified true copies of

- 1) Memorandum and Articles of Association/constitution/Bye-laws/ Government notification / Certificate of Incorporation / other documents governing constitution/ SEBI Registration Certificate / Trust Deed
- 2) Resolution authorizing investment and containing operating instructions
- 3) Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- 4) Specimen signatures of authorized signatories and
- 5) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable. The applicant must give the demat account details.

32. Application, under Power of Attorney/Relevant authority

A certified true copy of the power of attorney or the relevant authority, as the case may be, along with the names and specimen signatures of all the authorised signatures must be lodged along with the completed application form. Further modifications / additions in the power of attorney or authority should be notified to SIDBI at its Mumbai office.

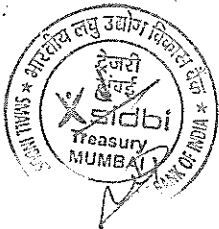
33. Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 15 days from the Deemed Date of Allotment of the Bonds. Such payment may also be paid by way of NEFT / RTGS transactions.

34. Letters of Allotment /Bond Certificates / Refunds

The Bank shall credit the allotted securities to the respective beneficiary account / dispatch the Letters of Allotment/ Bond Certificates, if applicable, or Refund Order(s)/Letter(s) of Regret, as the case may be, by Registered Post or as per extant postal rules at the sole risk of the applicant. Further, the Issuer agrees that

- (a) As far as possible, allotment of securities shall be made within the time stipulated by SEBI.





(b) SIDBI will provide adequate funds to the Registrars to the Issue (if required), for the purpose of dispatch of Letter(s) of Allotment/ Bond Certificate(s)/ Letter(s) of Regret/ Refund Order(s).

35. Notices

All notices to the bondholder(s) required to be given by SIDBI or the Trustee shall have and shall be deemed to have been given if published in one English and one Hindi language daily National newspaper in Mumbai and may, at the sole discretion of SIDBI or the Trustee, but without any obligation, be sent by ordinary post to the original sole/first allottees of the bond(s) or if notification and mandate has been received by SIDBI, pursuant to the provisions contained herein above, to the sole/first transferees.

All notices to be given by the Bondholder(s), including notices with regard to "Payment of Interest" and "Payment on Redemption" shall be sent by Registered Post / Courier or by hand delivery to the Registrars to the Issue or to such persons at such address as may be notified by SIDBI from time to time.

36. Force Majeure

The Issuer reserves the right to withdraw this Issue prior to the earliest closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment in the opinion of and at the sole discretion of the Issuer. In such an event the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

37. Undertaking by the Issuer

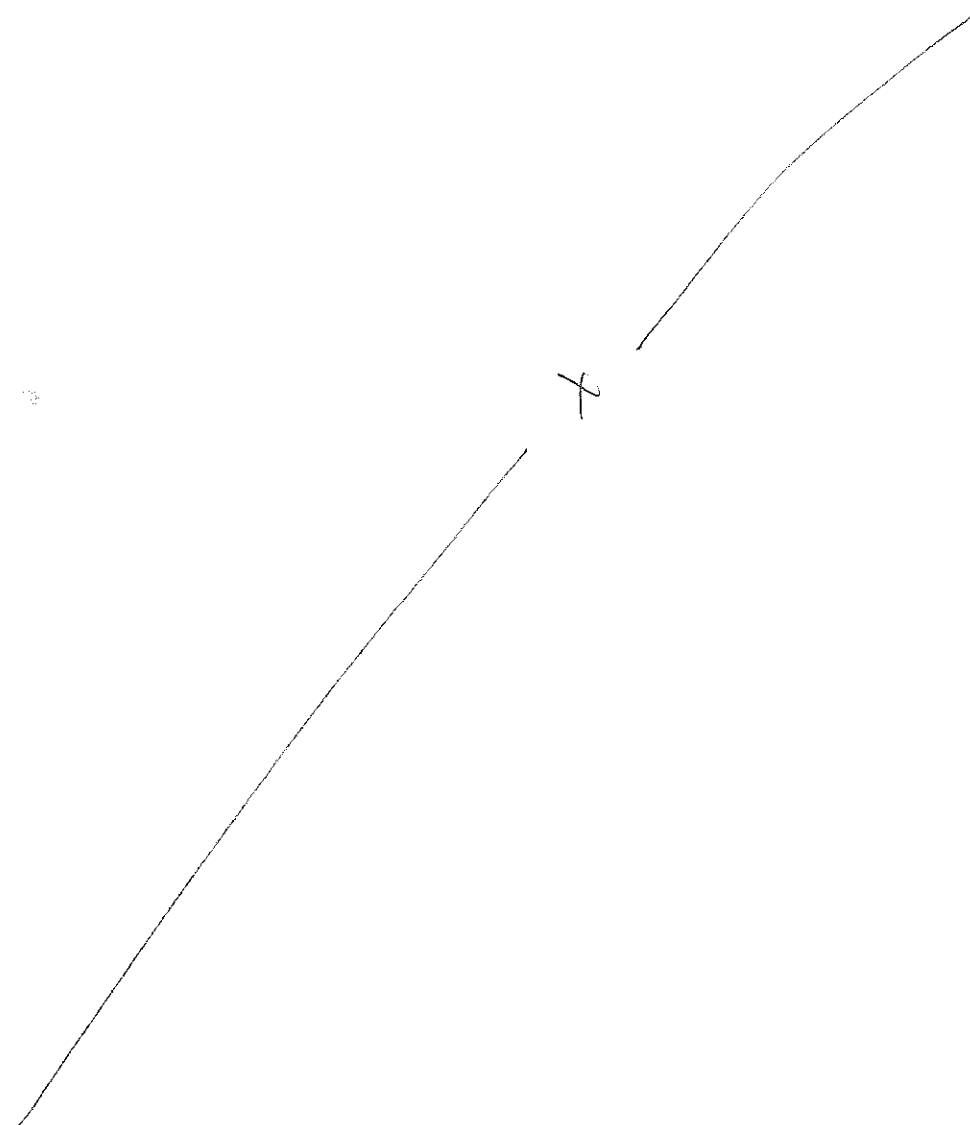
SIDBI undertakes that SIDBI shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, for furnishing / publishing its half yearly/ annual result. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all Qualified Institutional Buyers ("QIBs") and other existing Bondholder(s) within two working days of their specific request.

38. That the permission / consent from the prior creditor for a second or pari passu charge being created in favour of the trustees to the proposed issue has been obtained.

Bonds being issued are 'UNSECURED' in nature, hence no permission of prior creditors are required. Outstanding borrowings of SIDBI do not impose any restriction on the further borrowings by SIDBI from various sources.

39. *As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter dated February 02, 2024 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this 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.*





UNDERTAKINGS BY THE ISSUER

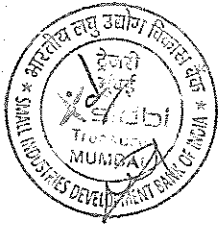
<p>'Issuer's Absolute Responsibility'</p>
<p>"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the offer 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."</p>
<p>'General Risk</p>
<p>"Investment in debt securities/non-convertible redeemable preference shares involve a degree of risk 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 this offering. 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 contained in this offer document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities/non-convertible redeemable preference shares or investor's decision to purchase such securities."</p>
<p>"Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given under the section 'General Risks'."</p>
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held 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 in any material respect."</p>
<p>"The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."</p>
<p>The issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules and regulations made thereunder. The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.</p>





The Issuer undertakes that the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document. The Issuer undertakes that whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the SIDBI Act, 1989.

We hereby state that the compliance with respect to 'Securities And Exchange Board Of India (Issue And Listing Of Non-Convertible Securities) (Second Amendment) Regulations, 2023 dated July 03, 2023, and SEBI/HO/DDHS/PoD1/P/CIR/2023/119 updated as on July 07, 2023' with regards to filling of general information document (GID) and key information document (KID) is under process. Further, SIDBI shall endeavour to comply with the extant regulation as soon as possible and before due date.





The directors in case of a body corporate and such authorized persons in case the issuer is not a body corporate shall attest that -

a) the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;

b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;

c) the monies received under this offer shall be used only for the purposes and objects indicated in the Offer document;

d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

"Investment in non-convertible securities involve a degree of risk 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 this offering. 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 contained in Term Sheet of this placement memorandum. These risks are not, and are not intended to be, a complete list of risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities."

Extract of the Delegation of Powers approved and reported to the 217th meeting of Board of Directors held on February 06, 2023 at Varanasi

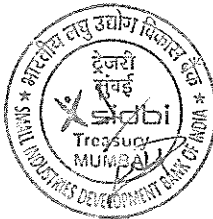
(Delegation of Powers effective from January 18, 2023)

Part A

Matters related to both Resource and Treasury Management (Page 3)

S No	Particulars	Delegatee Authority
3	Execution of Agreements, etc	
4	Execution of Agreements, Documents, etc with any of the Domestic Lending Agencies including Govt, RBI, FIs, Commercial Banks and Credit Rating Agencies, Merchant Banks, Advertising Agencies, Registrar and Transfer Agents, Trustees for Debenture Holders, Bankers, Stock Exchanges, Depositories, etc	DSH

The declaration has been signed as per the delegation of power approved as above.



सिडबी लघु उद्योग विकास बैंक
For Small Industries Development Bank of India
[Signature]
प्रामाणिक हस्ताक्षरकर्ता / Authorized Signatory

बैंक हिन्दी में पत्राचार का स्वागत करता है।

भारतीय लघु उद्योग विकास बैंक

खावलंबन भवन, एम्प्ल्यू - 3, लेन -2, सी-11, जी ब्लॉक, बान्द्रा कुर्ता कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051. दूरभाष: +91 22 67531100 | फैक्स: +91 22 67221528

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

Swavalamban Bhavan, Ampley - 3, Lane -2, C-11, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Tel: +91 22 6753 1100 | Fax: +91 22 6722 1528

Toll Free No.: 1800 22 6753 | टोल फ्री नं.: 1800 22 6753

www.sidbi.in | www.udyamimitra.in

sidbiofficial SIDBIOfficial sidbiofficial SIDBI(Small Industries Development Bank of India) SIDBI Official

Rating Letters

Ratings Letters from CARE and CRISIL are attached separately at the end.

Consent Letter from the Debenture Trustee-



Ref No.:9339/2023-2024/CL - 4772

Date: February 2, 2024

Small Industries Development Bank of India
Swastamban Bhawan, Avenue 3,
Lane 2, C 11, G-Block,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 061

Dear Sir,

Subj: Consent to act as Debenture Trustee for Private Placement of Listed, Unsecured NCDs aggregating up to Rs. 5,000 crores for Series VIII/FY 2023-24.

We refer to your letter Ref No. TRMV/LC01289721/Bonds/DT dated 27th March 2023 appointing SBI-CAP 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 / Bond Trustee for Series VIII/FY- 2023-24 and confirm our acceptance to the assignment.

We are agreeable for inclusion of our name as Trustee in the Private Placement Memorandum / Information Memorandum 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: -

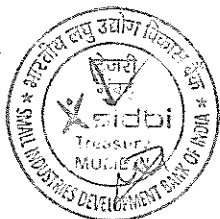
1. The Company shall enter into the written Debenture Trustee Agreement (DTA) for the said issue before the opening of the issue /subscription list for issue debentures. The Debenture Trust Deed shall be executed by the Company within a period of 3 days from the date of closure of issue. Further, the Company 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 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.
3. 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 dated 10th April, 2023.
4. Any payment in respect of debentures required to be made by the debenture trustee to debenture holder (who is FI 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 FI).

SBI-CAP Trustee Company Ltd.

Registered & Corporate Office: 4th Floor, Mistry Bhawan, 128, Unshaw Vachha Road, Churchgate, Mumbai, Pin - 400 006.
IN - 91 22 4362 5506 / +91 22 4302 0255 | E: corporate@sbi-captrustee.com | CIN : U65999MH2005PLC163365
ULPAM REGISTRATION NUMBER (SMALL ENTITIES) Under MSME Act, 2006 : UDYAM-MH-19-0111414

www.sbi-captrustee.com

A Group Company of SIDBI



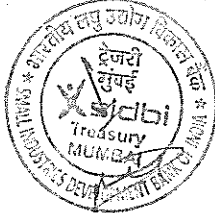
5. The Company confirms that all necessary disclosures shall be made in the Private Placement Memorandum / Information Memorandum including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Private Placement Memorandum / Information 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.
6. 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


Authorized Signatory



Board Resolution for Borrowing – FY 2023-24



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE 216th MEETING OF THE BOARD OF DIRECTORS OF SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA AT ITS MEETING HELD ON FRIDAY, MAY 12, 2023 AT 10.00 AM, AT MUMBAI
(Resource Plan for Financial Year 2024)

RESOLVED that the Resource Plan for FY 2024, as contained in the Memorandum SIDBI S.No. 6/2023-24 dated May 4, 2023, for raising a sum of ₹3,41,000 crore (excluding short term resources raised and repaid during the year) through various instruments, including private placement of unsecured bonds, be and is hereby approved.



Dr. Anil Kumar Singh
Chairman
Small Industries Development Bank of India
Dr. Anil Kumar Singh
Chairman
Small Industries Development Bank of India

सब से पहले हम सबको बचाएँ।
आज का सबसे बड़ा विकास है
आज का सबसे बड़ा काम है।
Small Industries Development Bank of India





Illustration regarding Cash Flows

7.68% SIDBI 2028-Series VIII of FY 2023-24

Face Value (per security)	₹1,00,000
Bid open / close Date	February 08, 2024
Deemed Date of Allotment / Pay-in Date	February 12, 2024
Redemption Date	July 09, 2027
Coupon Rate	7.68% p.a. 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 in the issue	Uniform Price Allotment
Frequency of the Interest Payment with specified dates (If put/call option exercised)	Not Applicable
Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual / Actual
Put/Call Option Date	Not applicable

Illustrative Cash Flow					
Cash Flows	Annual coupon payment Date	Day	No of Days	Adjusted Coupon Payment Date	Amt (in ₹)
1st Coupon ##	12-Feb-25	Wednesday	366.00		7680.00
2nd Coupon	12-Feb-26	Thursday	365.00		7680.00
3rd Coupon	12-Feb-27	Friday	365.00	--	7680.00
4 th Coupon with principal repayment	09-Jul-27	Friday	147.00		1,03,093

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

The coupon will have a leap year denominator



**Term Sheet for Private Placement of Unsecured, Redeemable,
Non-Convertible Debentures of Face Value ₹1 lakh each aggregating ₹1500
crore with Greenshoe Option up to ₹3500 Crore**



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 – 226001

Tel (0522) 2288546-50, Fax (0522) 2288455

**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_mho@sidbi.in & treasury_frontoffice@sidbi.in

CREDIT RATING: "CARE AAA" by CARE Ratings Limited and "CRISIL AAA" by CRISIL Limited. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning Rating Agency on the basis of new information.

LISTING: The Bonds are proposed to be listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.



INFORMATION RELATING TO THE TERMS OF OFFER OR PURCHASE

Security Name	7.68% SIDBI 2028-Series VIII of FY 2023-24
Issuer	Small Industries Development Bank of India (SIDBI)
Type / Nature of Instrument	Unsecured, Redeemable, Non-Convertible Debentures, Taxable, Non Priority Sector Bonds
Seniority	The bonds rank as senior debt on par with all the other borrowings of the Bank.
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 /Institutions. ➤ 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	<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 closure of the issue.</p> <p>Delay in listing : In case the bonds are not listed within the said limit, SIDBI shall pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing); and</p> <p>be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.</p>
Rating	"CRISIL AAA" by CRISIL Limited dated January 10, 2024



	"CARE AAA" by CARE Ratings Limited dated January 25, 2024
Issue Size	₹1500 crore with Green Shoe Option upto ₹3500 crore
Option to retain oversubscription	Yes
Objects of the issue	To utilise 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.
Details of utilization 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.
Coupon Rate	7.68% 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
Step Up/ Step Down Coupon Rate	Not Applicable
Coupon Payment Date	Annually as per cash flow schedule
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count basis/ Computation of Interest	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	3 Years 4 Months and 27 days from the deemed date of allotment
Redemption Date	July 09, 2027
Redemption Amount	At par
Redemption Premium / Discount	At par, on completion of the tenor of the instrument
Face Value	₹1,00,000 per bond
Issue Price	₹1,00,000 per bond



Discount at which Security is issued and the effective yield as a result of such discount	Not Applicable	
Put Option Date	Not applicable	
Put Option Price	Not applicable	
Call Option Date	Not applicable	
Call Option Price	Not applicable	
Put Notification Time	Not Applicable	
Call Notification Time	Not Applicable	
Face Value	₹1,00,000 per bond	
Minimum Application	One bond/debenture having face value of ₹1 lakh and in multiples thereof.	
Issue Timing	Issue Opening Date	February 08, 2024
	Issue Closing Date	February 08, 2024
	Pay-in Date	February 12, 2024
	Deemed Date of Allotment	February 12, 2024
Issuance Mode of the Instrument	Only in Demat form	
Settlement Mode of the Instrument	By way of NEFT/RTGS	
Manner of Settlement	Through Clearing corporation	
Settlement Cycle	T+2, where T is the issue date	
Depository's Name	NSDL/CDSL	
Holiday Convention	<p>If any coupon payment date falls on a day that is a not a Business Day (Saturday / Sunday / Holiday) in Mumbai, the payment shall be made by the Issuer on the immediately succeeding Business Day. Interest will not be paid upto the date of payment extended.</p> <p>If the Redemption Date (as also the last coupon date) of the Bond falls on a day that is not a Business Day (Saturday / Sunday / Holiday) in Mumbai, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day alongwith interest accrued on the bonds until but excluding the date of payment. In the event the record date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date.</p> <p>In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (<i>Actual/Actual day count convention</i>) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the</p>	



	denominator; for quarterly interest, four times and for monthly interest payment, twelve times.
Record Date	15 calendar days prior to each Coupon Payment / Redemption Date
All Covenants of the issue (including side letters, accelerated payment clause, etc.)	None
Creation of Recovery Expense fund	Recovery Expense Fund has been created with the NSE Ltd for ₹25,00,000/- on March 09, 2021.
Conditions for breach of covenants	Default shall have occurred in the performance of any other covenants, conditions or agreements on the part of the issuer under this Deed or the other Transaction Documents or deeds entered into between the Issuer and the Bondholder(s)/Beneficial Owner(s)/Bond Trustee and such default shall have continued for a period of thirty days after notice in writing thereof been given to the Issuer by the Bondholder(s)/Beneficial Owner(s)/Bond Trustee for remedying such default.
Risk Factors pertaining to the Issue	The Bonds are unsecured in nature. The recovery of 100% of outstanding amount shall depend on the market scenario prevalent at the time of enforcement of the Bonds pursuant to Event of Default.
Events of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)	Refer Information Memorandum (IM) of the issue.
Security	Not Applicable (Unsecured Instrument)
Governing law and jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals in the State of Maharashtra.
Debenture Trustee	SBICAP Trustee Company Limited Mistry Bhavan, 4 th Floor 122 Dinshaw Vachha Road Churchgate Mumbai – 400 020 T: (91) (22) 4325555. https://sbicaptrustee.com
Arrangers of the Issue	Through Electronic Bidding Platform (EBP) of NSE As per SIDBI's Arranger Policy uploaded on EBP for current issue Minimum Quantum for Arrangership: ₹ 100 crore Arrangership Fee: 0.03%.



	Sr	Name	Amt (` cr)
	1	YES BANK LIMITED	115.00
	2	Trust Investment Advisors Private Limited	102.30
	3	HDFC BANK LIMITED	100.00
	4	ICICI BANK	100.00
	5	ICICI SECURITIES PRIMARY DEALERSHIP LIMITED	100.00
	6	JM Financial LIMITED	100.00
	7	UNION BANK OF INDIA	100.00
	8	PNB GILTS LIMITED	100.00
	9	TIPSONS CONSULTANCY SERVICES PVT LTD	100.00
Registrar and Transfer Agents	Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083 Tel: 022-49186000 ; Fax: 022-49186060 Website: www.linkintime.co.in		
Other Conditions: <ul style="list-style-type: none"> (i) Multiple bids by an investor: Investors are now permitted to place multiple bids in an issue. (ii) 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. (iii) Pay-in of funds through clearing corporation of stock exchanges on T+2, where T is the issue day. 			

SIDBI reserves the right to change schedule of the issue including early closure/ cancellation without prior consent of investors or arrangers. SIDBI also reserves the right to alter the lot size and/ or reject the application if any of the above terms and conditions is not fulfilled. SIDBI will not pay any interest on the amount so refunded.



7.68% SIDBI 2028-Series VIII of FY 2023-24

Face Value (per security)	₹1,00,000
Bid open / close Date	February 08, 2024
Deemed Date of Allotment / Pay-in Date	February 12, 2024
Redemption Date	July 09, 2027
Coupon Rate	7.68% p.a. 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 in the issue	Uniform Price Allotment
Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual / Actual
Put/Call Option Date	Not Applicable

Illustrative Cash Flow

Cash Flows	Annual coupon payment Date	Day	No of Days	Adjusted Coupon Payment Date	Amt (in ₹)
1st Coupon ##	12-Feb-25	Wednesday	366.00		7680.00
2nd Coupon	12-Feb-26	Thursday	365.00		7680.00
3rd Coupon	12-Feb-27	Friday	365.00	--	7680.00
4th Coupon with principal repayment	09-Jul-27	Friday	147.00		1,03,093

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

The coupon will have a leap year denominator



RL/SIDBILT/333544/NCD/0224/79109/163131650

February 09, 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 January 10, 2024 bearing Ref. no: RL/SIDBILT/333544/NCD/0124/77063/163131650

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,

Subha Sri Narayanan

Director - CRISIL Ratings

Nivedita Shibu

Associate 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 LimitedA 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 Govt 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/rediscouting 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
INE556F08K19	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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No. CARE/HO/RL/2023-24/4089

Shri Ajit Nath Jha
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



January 25, 2024

Confidential

Dear Sir,

Credit rating for Unsecured Redeemable Bonds

Please refer to our letter no. CARE/HO/RL/2023-24/3752 dated December 28, 2023, 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 (Rs. crore)	Rating ¹	Rating Action
1.	Unsecured Redeemable Bonds	1,12,315.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
	Total Instruments	1,12,315.00 (Rs. One Lakhs Twelve Thousand Three Hundred Fifteen Crore Only)		

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/IPA	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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6. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
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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,



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Encl.: As above



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CIN-L67190MH1993PLC071691

Small Industries Development Bank of India

October 04, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	27,500.00 (Enhanced from 13,500.00)	CARE AAA; Stable	Reaffirmed
Short-term bank facilities	81,000.00 (Reduced from 95,000.00)	CARE A1+	Reaffirmed
Issuer rating	0.00	CARE AAA; Stable	Reaffirmed
RIDF deposit programme	212,000.00	CARE AAA; Stable	Reaffirmed
Unsecured redeemable bonds	112,565.00 ^ (Reduced from 113,065.00)	CARE AAA; Stable	Reaffirmed
Fixed deposit	23,000.00	CARE AAA; Stable	Reaffirmed
CP/CD programme	116,000.00	CARE AAA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

^ Reduction on account of redemption on bonds.

Rationale and key rating drivers

The ratings assigned to the facilities and instruments of Small Industries Development Bank of India (SIDBI) consider its position as the apex financial institution (FI) for the promotion and development of the micro, small and medium enterprises (MSME) sector in India. Furthermore, the ratings also consider SIDBI's healthy capitalisation levels, strong resource base, comfortable liquidity profile, sound asset quality and improving profitability. In addition, the ratings factor-in Government of India's (GOI's) and Reserve Bank of India (RBI) 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 (GOI has the power to appoint the Chairman and Managing Director [CMD], two whole-time directors, and two nominated directors on the Board of SIDBI).

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 healthy capitalisation levels and strong 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:

While CARE Ratings Limited (CARE Ratings) has adopted the standalone approach for analysing SIDBI's profile, the assessment also factors-in the expectation of support from GOI.

Outlook: Stable

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

Detailed description of the 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

SIDBI, being a nodal agency for the development of MSMEs in the country, 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 appointed Sivasubramanian Ramann as the Chairman and Managing Director of SIDBI and 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 the bank reporting an overall capital adequacy ratio (CAR) of 19.91% and Tier-I CAR of 18.81% as on March 31, 2023, above the regulatory guideline of 9% and 7%, respectively. During FY23 (refers to the period April 1 to March 31), SIDBI has increased its advances base by 76.24%, thereby resulting in an increase in the risk weighted assets (RWA). However, RWA to total assets declined to 32.48% as on March 31, 2023, from 37.69% as on March 31, 2022, indicating increase in the exposure of lower risk weighted assets. As on June 30, 2023, CAR and Tier I CAR stood comfortable at 15.63% and 15.21%, respectively.

The overall gearing increased from 9.05x as on March 31, 2022, to 14.02x as on March 31, 2023, owing to increase in the borrowings done to fund the growth in advances. Gearing further increased to 15.95x as on June 30, 2023 with increase in borrowings to facilitate the increasing refinancing book. The RBI has extended the borrowing limit of SIDBI to 18x of its net-owned funds (NOF) until March 31, 2024. It has also received approval from RBI for an umbrella limit of 500% of NOF up to March 31, 2024. The 'umbrella limit' consists of five instruments, viz., term deposits, term money borrowings, certificates of deposits (CDs), commercial papers (CPs) and inter-corporate deposits (ICDs).

CARE Ratings notes that while SIDBI has been mandated to implement Basel norms III effective from April 01, 2024, which will result to a change in the computation method of the risk-weighted assets. However, no significant impact is anticipated on the capitalisation metrics post implementation of Basel norms III. Furthermore, SIDBI has received approval from Department of Financial Services and Parliament for capital infusion of ₹10,000 crore through rights issue, which will be carried out in two tranches of ₹5,000 crore. Therefore, CARE Ratings expects the overall capitalisation profile to remain strong going forward as well.

Strong resource profile

SIDBI has a very strong resource profile, consisting primarily of domestic and marginally overseas borrowings. Overseas borrowings of SIDBI are guaranteed by the GOI. It also has access to the low-cost MSE Refinance Fund from scheduled commercial banks due to their shortfall in PSL targets, which forms a large portion of its resource profile. Since the onset of Covid-19, the RBI had allotted ₹46,000 crore under three tranches of SLF to support MSMEs affected by pandemic which has now been repaid. As on June 30, 2023, domestic market borrowings constituted 58.76% (FY23: 53.71%), MSE (RIDF) deposits constituted 38.04% (FY22: 42.76%) of the total borrowings, respectively, with overseas borrowings constituting 0.88% (FY22: 1.16%).

SIDBI has been allotted MSE Refinance Funds of ₹75,000 crore for FY24, up from ₹65,000 crore in FY23. During Q2FY24, SIDBI received the balance ₹9,000 crore (approximately) that were allocated but not received in FY23. Allocation of MSE Refinance funds will be critical for sustaining competitive cost of funds as well as 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

During FY23, the bank's total income doubled on the back of significant rise in the interest income from ₹17,954 crore in FY23 to ₹8,715 crore in FY22. The interest income increased owing to increase in the lending rate resulting in higher yields along with growth in the average loan book. Furthermore, during FY22, the bank had made higher disbursements in the last quarter, the interest of which is reflected in FY23. Thus, as a result, yields increased from 4.02% in FY22 to 5.60% in FY23. Finance costs doubled in FY23 over FY22 on the back of increase in the borrowings as well as increase in the interest rates. Since increase in

yields outpaced the increase in cost of funds, interest spread improved from 1.02% in FY22 to 1.34% in FY23. Correspondingly, the net interest income (NII) was 84% higher at ₹5,548 crore in FY23. Overall, the spread in the lending activity is low due to the cap on the margin that SIDBI can charge for lending to banks and financial institutions (FIs) against MSE Refinance Funds. Resultantly, the overall profitability remained stable with return of total assets (ROTA) at 1.03% in FY23 as against 0.92% in FY22.

During Q1FY24, overall profitability declined with ROTA decreasing to 0.74%, which is primarily on account of increase in the interest expenses and rise in operating expenses primarily due to employee hiring and ₹500 crore of contribution made towards CGTMSE. Given the cap on the lending margins, the earnings profile in terms of ROTA is likely to remain modest.

Strong asset quality

The asset quality of SIDBI has been improving over the years. Currently, majority of its lending portfolio comprises indirect financing, constituting high-rated banks and other finance companies, including non-banking finance companies (NBFCs). Indirect finance constituted 94.41% (FY23: 94.40%) of the total portfolio as on June 30, 2023, while direct financing stood at 5.59% (FY23: 5.60%). Of the indirect finance portfolio, refinance to banks (including SFBs) constituted 82.45% (FY23: 83.65%) of the total portfolio of the bank, assistance to NBFCs constituted 10.43% (FY23: 9.37%) of the total portfolio, while assistance to MFIs (including SFCs) constituted 1.53% (FY22: 1.37%). The concentration of the top 10 exposures in the total exposure remained high at 67.85% as on March 31, 2023 (70.39 % as on March 31, 2022); however, the risk is mitigated as these exposures are to the banks.

SIDBI's GNPA's have improved from ₹218 crore in FY22 to ₹33 crore in FY23 on the back of write-offs and lower incremental slippages. This, in conjunction with significant growth in the advances improved the GNPA ratio and the net NPA (NNPA) ratio to 0.01% and 0.00%, respectively, as on March 31, 2023. As on March 31, 2023, total number of restructured accounts were 1,124 and in value stood at ₹803.33 crore, which formed 0.23% 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 limited with GNPA and NNPA of 0.02% and 0.01%, respectively, as on June 30, 2023.

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. Consequently, the asset liability maturity (ALM) statement as on June 30, 2023, exhibits positive cumulative mismatches across all time buckets. As on June 30, 2023, it had undrawn lines of around ₹8,205 crore from banks and undrawn RIDF allocations of ₹75,000 crore. Access to capital market due to its status as an apex financial institution and owned by GoI and its entities, further strengthens its liquidity position.

Applicable criteria

[Policy on default recognition](#)

[Factoring Linkages Government Support](#)

[Financial Ratios - Financial Sector](#)

[Issuer Rating](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Bank](#)

[Policy on Withdrawal of Ratings](#)

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Financial Institution

SIDBI is the apex financial institution for the MSME sector and is the nodal agency for the MSME-oriented schemes of the GOI. As on June 30, 2023, SBI (15.65%), GOI (20.85%), LIC (13.33%) and NABARD (9.36%) are the major shareholders. SIDBI provides refinance to primary lending institutions like banks (including SFBs), NBFCs, MFIs, etc, 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, discounting/rediscounting bills of exchange, etc.

As on June 30, 2023, SIDBI had three wholly-owned subsidiaries, viz., 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 the business of lending to micro/small business entities engaged in the 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.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	Q1FY24 (UA)
Total operating income	9,139	18,485	6,600
PAT	1,958	3,344	792
Interest coverage (times)	1.42	1.35	1.22
Total assets	2,47,379	4,02,382	4,52,429
Net NPA (%)	0.07	0.00	0.01
ROTA (%)	0.89	1.03	0.74

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA:

None

Any other information:

Not applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in 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	INE556F08JR2	17-Dec-20	4.58%	18-Dec-23	250.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JS0	26-Mar-21	5.24%	26-Mar-24	1,900.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JT8	17-Jun-21	4.97%	17-Jun-24	550.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JU6	21-Feb-22	5.59%	21-Feb-25	2,500.00	CARE AAA; Stable

Bonds- Unsecured redeemable	INE556F08JV4	02-Mar-22	5.57%	03-Mar-25	2,500.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JW2	16-Mar-22	5.40%	17-Mar-25	1,525.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JX0	28-Mar-22	5.70%	28-Mar-25	1,625.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JY8	31-May-22	7.15%	02-Jun-25	2,500.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JZ5	10-Jul-22	7.15%	21-Jul-25	3,000.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KA6	28-Jul-22	7.25%	31-Jul-25	3,905.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KB4	17-Aug-22	7.11%	27-Feb-26	4,000.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KC2	08-Sep-22	7.23%	09-Mar-26	4,000.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KD0	14-Oct-22	7.75%	27-Oct-25	4,000.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KE8	15-Nov-22	7.47%	25-Nov-25	4,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KF5	02-Dec-22	7.54%	12-Jan-26	5,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KG3	18-Jan-23	7.59%	10-Feb-26	5,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KH1	22-May-23	7.43%	31-Aug-26	5,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KI9	09-Jun-23	7.44%	04-Sep-26	6,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KJ7	28-Jun-23	7.75%	22-Sep-26	3,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable (Proposed)	-	-	-	-	52,310.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JQ4	18-Aug-20	4.90%	18-Aug-23	0.00	Withdrawn
Fixed deposit	-	-	-	-	23,000.00	CARE AAA; Stable
Fund-based- Long-term bank facilities	-	-	-	23-Aug-25	23,500.00	CARE AAA; Stable

Fund-based-Long-term bank facilities (Proposed)	-	-	-	-	4,000.00	CARE AAA; Stable
Fund-based-Short-term bank facilities	-	-	-	23-Aug-25	63,290.00	CARE A1+
Fund-based-Short-term bank facilities (Proposed)	-	-	-	-	17,710.00	CARE A1+
Issuer rating-Issuer ratings	-	-	-	-	0.00	CARE AAA; Stable
LT/ST instrument-CP / CD	INE556F14JB4	31-Mar-23	7.75%	15-Mar-24	2,000.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JF5	24-May-23	7.28%	20-Nov-23	4,000.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JJ7	21-Jun-23	7.25%	18-Dec-23	2,600.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JK5	23-Jun-23	6.95%	22-Sep-23	4,750.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JL3	19-Jul-23	7.24%	15-Feb-23	3,775.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JM1	28-Jul-23	6.97%	26-Oct-23	5,100.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JN9	23-Aug-23	7.10%	22-Nov-23	5,425.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JO7	29-Aug-23	7.10%	28-Nov-23	4,175.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JP4	07-Sep-23	7.09%	07-Dec-23	6,050.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JQ2	15-Sep-23	7.15%	15-Dec-23	5,475.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AB8	21-Nov-22	7.55%	21-Nov-23	850.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AD4	06-Dec-22	7.60%	06-Dec-23	2,000.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AE2	11-Jan-23	7.70%	11-Jan-24	4,000.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AF9	31-Jan-23	7.72%	31-Jan-24	2,400.00	CARE AAA; Stable / CARE A1+

LT/ST instrument-CP / CD	INE556F16AG7	14-Mar-23	7.88%	14-Mar-24	2,035.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AH5	27-Mar-23	7.72%	27-Mar-24	2,700.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AI3	24-Apr-23	7.50%	24-Apr-24	2,750.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AJ1	29-May-23	7.34%	29-May-24	2,275.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AK9	06-Jun-23	7.40%	06-Jun-24	5,500.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AL7	21-Jun-23	7.45%	21-Jun-24	2,850.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AC6	01-Dec-22	7.66%	14-Feb-24	1,600.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD (Proposed)	-	-	-	-	43,690.00	CARE AAA; Stable / CARE A1+
MSE/RIDF deposits	-	-	-	-	2,12,000.00	CARE AAA; Stable

Annexure-2: Rating history for the 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 in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	LT/ST instrument-CP / CD	LT/ST*	116000.00	CARE AAA; Stable / CARE A1+	1)CARE AAA; Stable / CARE A1+ (21-Jun-23) 2)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+	1)CARE AAA; Stable / CARE A1+ (02-Sep-21)	1)CARE AAA; Stable / CARE A1+ (04-Sep-20)

						(06-Sep-22) 4)CARE AAA; Stable / CARE A1+ (07-Jul-22)		
2	Fixed deposit	LT	23000.00	CARE AAA; Stable	1)CARE AAA; Stable (21-Jun-23) 2)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)	1)CARE AAA (FD); Stable (04-Sep-20)
3	MSE/RIDF deposits	LT	212000.00	CARE AAA; Stable	1)CARE AAA; Stable (21-Jun-23) 2)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; Stable (02-Sep-21)	1)CARE AAA; Stable (28-Sep-20) 2)CARE AAA; Stable (04-Sep-20)
4	Issuer rating-Issuer ratings	Issuer rating	0.00	CARE AAA; Stable	1)CARE AAA; Stable (21-Jun-23) 2)CARE AAA; Stable (06-Jun-23)	1)CARE AAA; Stable (28-Feb-23) 2)CARE AAA; Stable (26-Dec-22)	1)CARE AAA (Is); Stable (02-Sep-21)	1)CARE AAA (Is); Stable (04-Sep-20)

						3)CARE AAA (Is); Stable (29-Nov-22) 4)CARE AAA (Is); Stable (07-Jul-22)		
5	Bonds-Unsecured redeemable	LT	112565.00	CARE AAA; Stable	1)CARE AAA; Stable (21-Jun-23) 2)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; Stable (28-Feb-22) 2)CARE AAA; Stable (02-Sep-21)	1)CARE AAA; Stable (04-Sep-20)
6	Fund-based-Short term	ST	6500.00	CARE A1+	1)CARE A1+ (21-Jun-23) 2)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)	1)CARE AAA; Stable (28-Sep-20) 2)CARE AAA; Stable (04-Sep-20)
7	Fund-based-Short term	ST	74500.00	CARE A1+	1)CARE A1+ (21-Jun-23) 2)CARE A1+ (06-Jun-23)	1)CARE A1+ (28-Feb-23) 2)CARE A1+ (29-Nov-22)	1)CARE A1+ (28-Feb-22) 2)CARE A1+ (02-Sep-21)	1)CARE A1+ (28-Sep-20)

						3)CARE A1+ (06-Sep-22)		
						4)CARE A1+ (07-Jul-22)		
8	Fund-based-Long term	LT	27500.00	CARE AAA; Stable	1)CARE AAA; Stable (21-Jun-23) 2)CARE AAA; Stable (06-Jun-23)	1)CARE AAA; Stable (28-Feb-23)	-	-

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the 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 programme	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](#)

Note on the complexity levels of the 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.

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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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Independent Auditor's Report on Audited Financial Results for the quarter and half year ended September 30, 2023 of Small Industries Development Bank of India pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying Financial Results for the quarter and half year ended September 30, 2023 of Small Industries Development Bank of India (the "Bank"), 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").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Results:

- is presented in accordance with the requirement of Regulation 52 of the Listing Regulations; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, of the net profit and other financial information for the quarter and half year ended September 30, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Results.



Management Responsibilities for the Financial Results

These Financial Results have been compiled from the interim Financial Statements. The Bank's Management is responsible for the preparation of these Financial Results that give a true and fair view of the net profit and other financial information of the Bank in accordance with the Small Industries Development Bank of India General Regulations, 2000, and the recognition and measurement principles laid down in Accounting Standard notified by the Institute of Chartered Accountants of India, the RBI guidelines and the other accounting principles generally accepted in India and in compliance with regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Bank's Management is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.



- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charge with governance with the statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

Other Matters

Included in these Financial Results are the relevant returns of Mumbai Head Office audited by us which covers 94.70% of Advances, 97.78% of deposits, 100% of Borrowings as on September 30, 2023 and 93.63% of Interest income on advances, 96.28% of interest expense on deposits and 99.70% of interest expense on borrowings for the half year ended September 30, 2023. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us for the purpose of audit and generated through centralized data base at Bank's Head Office.

Our opinion is not modified in respect of above matter.

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

CA. Jayesh Kala
Partner
MRN: 101686
UDIN: 23101686BGXUWF4266



Place: Mumbai
Date: November 3, 2023



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

Financial Results for the Quarter and Half Year Ended September 30, 2023

(₹ crore)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	[Audited]	[Reviewed]	[Audited]	[Audited]	[Audited]	[Audited]
1. Interest earned (a)+(b)+(c)+(d)	7,741	6,504	4,114	14,245	7,159	17,954
(a) Interest/disc. on advances/bills	6,377	5,801	3,187	12,178	5,675	15,173
(b) Income on investments	541	345	273	885	439	975
(c) Interest on balances with Reserve Bank of India and other inter bank funds	823	358	654	1,182	1,045	1,806
(d) Others	-	-	-	-	-	-
2. Other Income	270	96	108	366	176	531
3. Total Income (1+2)	8,011	6,600	4,222	14,611	7,335	18,485
4. Interest Expended	5,663	4,761	2,816	10,424	4,727	12,406
5. Operating Expenses (i)+(ii)	314	218	159	533	329	824
(i) Employees cost	223	147	100	370	214	507
(ii) Other operating expenses	91	71	59	163	115	317
6. Total Expenditure (4+5) excluding provisions and contingencies	5,977	5,479	2,975	10,957	5,056	13,229
7. Operating Profit before Provisions and Contingencies (3-6)	2,034	1,121	1,247	3,654	2,279	5,256
8. Provisions (other than tax) and Contingencies [Net of write back]	215	62	337	277	333	858
9. Exceptional Items	-	(500)@	-	(500)@	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8+9)	1,819	1,059	910	2,877	1,946	4,398
11. Tax expense [Net of DTA/DTL]	445	267	221	711	481	1,054
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	1,374	792	689	2,166	1,465	3,344
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	1,374	792	689	2,166	1,465	3,344
15. Paid-up equity share capital (Face Value ₹ 10 each)	569	569	569	569	569	569
16. Reserves excluding Revaluation Reserves	29,101	27,727	25,181	29,101	25,181	26,935
17. Analytical Ratios						
(i) Percentage of shares held by Government of India	20.85%	20.85%	20.85%	20.85%	20.85%	20.85%
(ii) Capital Adequacy Ratio	17.09%	15.63%	20.59%	17.09%	20.59%	19.29%
(iii) Earnings Per Share(Basic & Diluted) (EPS)	24.17	13.93#	12.12	38.10	25.76	58.81
(iv) NPA Ratios						
a) Amount of Gross NPA	82	70	210	82	210	33

b) Amount of Net NPA	0	40	125	0	125	9
c) % of Gross NPA	0.02	0.02	0.07	0.02	0.07	0.01
d) % of Net NPA	0.00	0.01	0.04	0.00	0.04	0.00
(v) Return on Assets (after Tax) (annualised)	1.45%	0.77%	1.02%	1.00%	1.02%	1.00%
(vi) Net Worth	27,646	25,630	24,386	27,646	24,386	25,465
(vii) Outstanding Redeemable Preference Shares	-	-	-	-	-	-
(viii) Capital Redemption Reserve	-	-	-	-	-	-
(ix) Debenture Redemption Reserve	-	-	-	-	-	-
(x) Operating Margin	25.39%	16.98%	29.53%	21.59%	31.07%	28.43%
(xi) Net Profit Margin	17.15%	12.00%	16.32%	14.83%	19.97%	18.09%
(xii) Debt - Equity Ratio *	9.00	9.64	7.08	9.00	7.08	7.88
(xiii) Total Debts to Total Assets (%) *	53.12	54.59	48.96	53.12	48.96	49.87

Not annualised

*Debt denotes total Borrowings (excluding Deposits)

@Contribution of ₹500 crore made to CGTMSE

Statement of Assets and Liabilities:

	(₹ crore)		
	September 30, 2023	September 30, 2022	March 31, 2023
CAPITAL AND LIABILITIES	Audited	Audited	Audited
Capital	568.54	568.54	568.54
Reserves, Surplus and Funds	29,403.98	25,476.06	27,240.70
Deposits	1,79,898.92	1,46,745.05	1,65,036.15
Borrowings	2,48,863.20	1,72,635.75	2,00,657.92
Other Liabilities and Provisions	9,737.83	7,173.92	8,879.42
Deferred Tax Liability	-	-	-
Total	4,68,472.47	3,52,599.32	4,02,382.73
ASSETS			
Cash and Bank Balances	30,076.42	22,411.88	12,108.82
Investments	39,928.86	41,046.59	29,088.66
Loans & Advances	3,92,994.10	2,84,653.43	3,56,439.07
Fixed Assets	296.45	303.39	296.39
Other Assets	5,176.64	4,184.03	4,449.79
Total	4,68,472.47	3,52,599.32	4,02,382.73

Statement of Cash flow:

	(₹ crore)	
Particulars	30.09.2023	30.09.2022
	Audited	Audited
1. Cash Flow from Operating Activities		
Net Profit before tax as per P & L Account	2,879	1,946
Adjustments for :		
Depreciation	12	9
Provision for net depreciation in investments	-	5
Provisions made (net of write back)	319	363
Profit on sale of investments (net)	(51)	(29)
Profit on sale of fixed assets	-	-
Dividend Received on Investments	(37)	(30)
Cash generated from operations (Prior to changes in operating Assets and Liabilities)	3,122	2,264
Adjustments for net changes in :		
Current assets	(576)	(1,299)
Current liabilities	704	666

	Bills of Exchange	(497)	(108)
	Loans & Advances	(36,115)	(82,294)
	Net Proceeds of Bonds and Debentures & other borrowings	48,205	96,923
	Deposits received	14,863	5,867
		26,584	19,755
	Payment of Tax	(863)	(402)
	Net Cash flow from operating Activities	28,842	21,617
2.	Cash Flow from Investing Activities		
	Net (Purchase)/Sale of fixed assets	(11)	(19)
	Net (Purchase)/sale/redemption of Investments	(28,235)	(22,800)
	Dividend Received on Investments	36	30
	Net cash used in Investing Activities	(28,210)	(22,789)
3.	Cash flow from Financing Activities		
	Proceeds from issuance of share capital & share premium	-	-
	Dividend on Equity Shares & tax on Dividend	(114)	(80)
	Net cash used in Financing Activities	(114)	(80)
4.	Net increase/(decrease) in cash and cash equivalents	518	(1,252)
5.	Cash and Cash Equivalents at the beginning of the period	2,638	2,506
6.	Cash and Cash Equivalents at the end of the period	3,156	1,254
	Cash and cash equivalents at the end of the period includes		
7.			
	Cash in Hand	-	-
	Current account balance with Bank	70	257
	Mutual Funds	-	-
	Deposits	3,086	997

Notes:

- 1) 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, 2023.
- 2) The above results have been reviewed by the Board of Directors at their meeting held on November 03, 2023.
- 3) The figures for the second quarter in each of the financial years are the balancing figures between audited figures in respect of the half year end and the published year to date reviewed figures up to the end of first quarter of the respective financial year.
- 4) The financial results for the half year ended September 30, 2023 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 estimated / proportionate basis, wherever required and subject to adjustment at the year-end.
- 5) During the half year ended September 30, 2023, 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 of ₹321 crore on September 30, 2023.
- 6) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) are given below:

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end September 30, 2023
Personal Loans	---	---	---	---	---
Corporate persons	28.02	0.00	0.00	3.36	24.66

<i>Of which MSMEs</i>	28.02	0.00	0.00	3.36	24.66
Others	---	---	---	---	---
Total	28.02	0.00	0.00	3.36	24.66

\$Represents net movement in balance outstanding.

- 7) Details of loans transferred / acquired during the half year ended September 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
During the half year ended September 30, 2023:
- i. the Bank has not acquired any loan not in default through assignment.
 - ii. the Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees.
 - iii. the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
 - iv. the bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.
- 8) Floating provision is not considered for computation of net NPAs.
9) Previous period's figures have been regrouped / reclassified wherever necessary to conform to current period classification.
10) As per RBI's letter dated May 15, 2019, implementation of IND-AS has been deferred for AIFIs until further notice.
11) The above results have been subjected to Audit by the Statutory Auditors.

By order of the Board

Dated: November 03, 2023
Place: Jodhpur

[Sivasubramanian Ramann]
Chairman and Managing Director



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