

Key Information Document: Private and Confidential

This Key Information Document is neither a Prospectus nor a Statement in Lieu of Prospectus. This KID is issued by SIDBI in respect of and in conformity with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, read with SEBI master circular dated August 10, 2021 (as Amended/modified/updated), the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024 dated January 03, 2024, (as amended from time to time), for issuance of Non-Convertible Securities.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

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

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

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

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

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

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

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

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

GENERAL RISK

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

CREDIT RATING

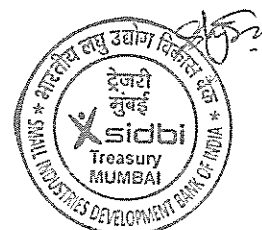
Rating Agencies	Date	Instruments	Rating	Rating Actions
CARE Ratings Ltd.	June 20, 2024	NCD	CARE AAA, Stable	Reaffirmed
Crisil Ltd.	June 13, 2024	NCD	CRISIL, AAA/Stable	Reaffirmed

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

ISSUE SCHEDULE

Bid/issue opening date	Bid/issue closing date	Pay-in date	Date of earliest closing of issue, if any	Deemed date of allotment
21/06/2024	21/06/2024	25/06/2024	NA	25/06/2024

Company Secretary & Compliance Officer	Chief Financial Officer	Promoters	Statutory Auditor
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	Shri Ajit Nath Jha Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051 Tel: (022) 67531203, Email: ajitjha@sidbi.in	President of India (On Behalf of Government of India) and institutions / public sector banks / insurance companies owned or controlled by the Gov.	M/s J Kala & Associates (FRN: 18769W) 504 Rainbow Chambers Near Kandivali Telephone Exchange S. V. Road Kandivali (W), Mumbai-400067 Contact Person: Shri Jayesh Kala Tel: (022) 28625129 Email: admin@jka.com
Debenture trustee	Credit Rating Agencies		Registrar and Transfer Agent
SBICAP Trustee Company Ltd. Mistry Bhavan, 4 th Floor 122 Dinshaw Vachha Road Churchgate, Mumbai – 400 020 Contact Person: Mr. Ardhendu Mukhopadhyay Tel: (022) 4325555 Email: corporate@sbicaptrustee.com Website: https://sbicaptrustee.com	CRISIL Ltd. CRISIL House, <small>AN ISO 9001:2015 Company</small> Central Avenue, Hirandani Business Park, Powai, Mumbai – 400076 Contact Person: Shri Ronak Rathi Tel: (022)-3342 3000 Email: Ronak.Rathi@crisil.com Website: www.crisilratings.com	CARE Ratings Ltd 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400022. Contact Person: Ms. Khyati.Shah, Tel:(022)-67543456, Email: Khyati.Shah@careedge.in Website: www.careratings.com	Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400083 Contact Person: Mr. Ganesh Jadhav Tel:(022)-49186000. Email: debtcare@linkintime.co.in Website: www.linkintime.co.in



LISTING

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

COMPLIANCE CLAUSE IN RELATION TO ELECTRONIC BOOK MECHANISM

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

BIDDING PARAMETERS

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

ISSUE HIGHLIGHTS

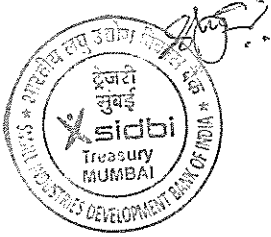
Series	Coupon rate & Coupon Type	Coupon Payment Frequency (If Any)	Redemption Date	Redemption Amount
7.68% SIDBI 2028-Series I of FY 2024-25	7.68% p.a./ Fixed	Annual	September 10, 2027	At Par

UNDERWRITING

The present issue is not underwritten

NO SIDE LETTER

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



Issuer absolute responsibility:

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

NOTICE TO INVESTORS & DISCLAIMERS

1. GENERAL DISCLAIMER IN RESPECT OF KID:

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

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

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

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

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

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



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

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

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

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

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

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

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

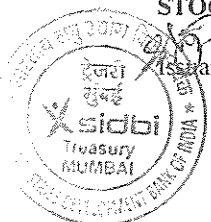
Any person who is in receipt of this Key Information Document, including the Eligible Investors, shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer. The recipient agrees to keep confidential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

2. DISCLAIMER IN RESPECT OF JURISDICTION:

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

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

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



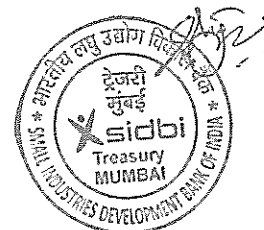
listed on the NSE and copy of this Key Information Document will be filed with the NSE in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. **IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE KEY INFORMATION DOCUMENT TO SEBI OR NSE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

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

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

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

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



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

6. DISCLAIMER OF THE TRUSTEE:

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

7. ISSUANCE ONLY IN DEMATERIALIZED FORM:

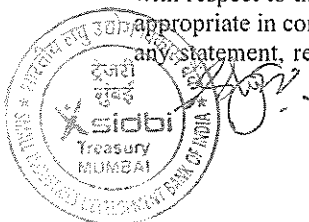
The issuer shall issue Debt Securities in dematerialized form and has made necessary arrangements with National Securities Depository Limited (NSDL) / Centralized Depository Services Limited (CDSL) for the same. Investors shall hold the Bonds in dematerialized form and deal with the same as per the provisions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

8. DISCLAIMER OF THE ISSUER:

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

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

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



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

10. CONFIDENTIALITY:

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

11. FORCE MAJEURE:

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



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

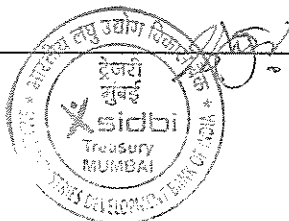
1. DISCLOSURE OF CASH FLOW WITH DATE OF INTEREST/DIVIDEND/ REDEMPTION PAYMENT AS PER DAY COUNT CONVENTION.

The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed	Actual / Actual					
Procedure and time schedule for allotment and issue of securities should be disclosed	Please refer ISSUE Schedule in the front page of KID					
Cash flows emanating from the non-convertible securities shall be mentioned in the issue document, by way of an illustration.						
ILLUSTRATIVE CASH FLOW						
Cash Flows	Record Date	Coupon Payment Date	Day	No of Days	Adjusted Coupon Payment Date	Amt (In Rs.)
1st Coupon	10-Jun-25	25-Jun-25	Wednesday	365	NA	7,680.00
2nd Coupon	10-Jun-26	25-Jun-26	Thursday	365	NA	7,680.00
3rd Coupon	10-Jun-27	25-Jun-27	Friday	365	NA	7,680.00
4th Coupon with principal repayment	26-Aug-27	10-Sep-27	Friday	77	NA	1,01,620.16

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

2. ISSUE DETAILS: SUMMARY TERM SHEET

SECURITY NAME & SERIES	7.68% SIDBI 2028-Series I of FY 2024-25
ISSUER	Small Industries Development Bank of India (SIDBI)
TYPE OF INSTRUMENT	Unsecured, Redeemable, Non-Convertible Debentures, Taxable, Non-Priority Sector Bonds
NATURE OF INSTRUMENT (SECURED OR UNSECURED)	Unsecured
SENIORITY (SENIOR OR SUBORDINATED)	The bonds rank as senior debt on par with all the other borrowings of the Issuer.
MODE OF ISSUE	On Private Placement Basis
ELIGIBLE INVESTORS	<p>Only the persons who are specifically addressed through a communication by or on behalf of SIDBI directly are eligible to apply for the Bonds. An application made by any other person will be deemed as an invalid application and rejected. The following categories of investors are eligible to apply for this Issue of Bonds.</p> <ul style="list-style-type: none"> ➤ Scheduled Commercial Banks/ Commercial Bank ➤ Urban / Central / State / District / Primary Co-operative Banks ➤ Regional Rural Banks, Land Development Banks ➤ Mutual Fund Houses ➤ Insurance Companies ➤ Public Financial Institutions ➤ Non-Banking Financial Companies ➤ Statutory Corporations, Companies, Body Corporates ➤ Trusts including Port Trusts and Association of Persons which are authorized to Invest in bonds ➤ Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds ➤ Other Government / Non-Government Agencies / Boards /Institutions.



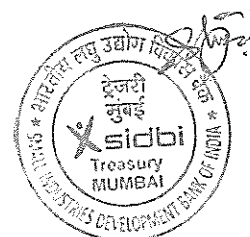
	<ul style="list-style-type: none"> ➤ Individuals (excluding Minors & NRIs) to whom this Disclosure Document is specifically addressed ➤ Foreign Institutional Investors (FIIs) as per SEBI / RBI regulations <p>Note: The above list is only illustrative and not exhaustive. Investors should check about their eligibility before making any investment</p>
LISTING (NAME OF STOCK EXCHANGE(S) WHERE IT WILL BE LISTED AND TIMELINE FOR LISTING)	In terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Issue will be listed on NSE within 03 days from the date of bidding.
	Delay in Listing: pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing); and be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.
RATING OF THE INSTRUMENT	Please refer front page of this KID
ISSUE SIZE	Aggregate total issue size not exceeding Rs.5000 crores with a base issue size of Rs.2000 crores and a green-shoe option to retain oversubscription up to Rs.3000 crores. (Total amount raised Rs 2123.10 crore)
MINIMUM SUBSCRIPTION	INR 1 lakh only and in multiple of One Debt Securities thereafter. The entire subscription amount is required to be paid with the application, or as more particularly specified under issue details of the this Key Information Document.
OPTION TO RETAIN OVERSUBSCRIPTION (AMOUNT)	Yes. Green-shoe option to retain oversubscription upto Rs.3000 crores.
OBJECTS OF THE ISSUE/PURPOSE FOR WHICH THERE IS REQUIREMENT OF FUNDS	To utilize the entire proceeds for extending financial assistance to MSMEs or for any other purpose as laid down in the SIDBI Act, 1989, as amended from time to time.
IN CASE THE ISSUER IS NBFC AND THE OBJECTS OF THE ISSUE ENTAIL LOAN TO ANY ENTITY WHO IS A GROUP COMPANY THAN DISCLOSURE TO BE MADE IN THE FOLLOWING FORMAT	Not Applicable
DETAILS OF THE UTILIZATION OF THE PROCEEDS	The proceeds will be utilized for normal business activities of SIDBI and for such other purposes as may be decided by SIDBI's Board and as permissible under the SIDBI Act, 1989.
STEP UP/STEP DOWN COUPON RATE	Not Applicable
COUPON/DIVIDEND PAYMENT FREQUENCY	Annually as per cash flow schedule
COUPON/DIVIDEND PAYMENT DATES	Annually as per cash flow schedule
CUMULATIVE / NON-CUMULATIVE, IN CASE OF DIVIDEND	Not Applicable
COUPON TYPE (FIXED, FLOATING OR OTHER STRUCTURE)	Fixed



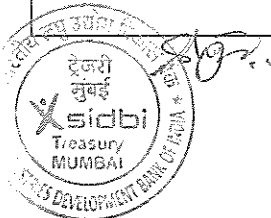
DAY COUNT BASIS	Simple Interest for each of the interest periods shall be computed on an actual-by-actual number of days in a year basis on the Face Value of principal outstanding on the Bonds at the respective Coupon rate rounded off to the nearest Rupee.
INTEREST ON APPLICATION MONEY	Not Applicable
DEFAULT INTEREST RATE	In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period. In case of default (including delay) in payment of dividend and/ or redemption of principal on the due dates for NCRPS issued on private placement or public issue, additional dividend of at least @ 2% p.a. over the rate of dividend shall be payable by the issuer for the defaulting period.
TENOR	3 Years 2 months and 16 days from the deemed date of allotment
REDEMPTION DATE	September 10, 2027
REDEMPTION AMOUNT	At par
REDEMPTION PREMIUM /DISCOUNT	At par, on completion of the tenor of the instrument
FACE VALUE	INR 1,00,000 (Rupees One Lakh Only) per bond.
ISSUE PRICE	INR 1,00,000 (Rupees One Lakh Only) per bond.
COUPON /DIVIDEND RATE/TYPE	7.68% 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
DISCOUNT AT WHICH SECURITY IS ISSUED AND THE EFFECTIVE YIELD AS A RESULT OF SUCH DISCOUNT/ PREMIUM.	Not Applicable
PREMIUM/DISCOUNT AT WHICH SECURITY IS REDEEMED AND THE EFFECTIVE YIELD AS A RESULT OF SUCH PREMIUM/DISCOUNT.	Not Applicable
PUT DATE	Not applicable
PUT PRICE	Not applicable
CALL DATE	Not applicable
CALL PRICE	Not applicable
PUT NOTIFICATION TIME (TIMELINES BY WHICH THE INVESTOR NEED TO INTIMATE ISSUER BEFORE EXERCISING THE PUT)	Not applicable
CALL NOTIFICATION TIME (TIMELINES BY WHICH THE INVESTOR NEED TO INTIMATE ISSUER BEFORE EXERCISING THE CALL)	Not applicable
MINIMUM APPLICATION AND IN MULTIPLES THEREAFTER	One bond/Debt Securities having face value of INR 1,00,000 (Rupees One Lakh Only) per bond and in multiples thereof.
ISSUE TIMING	Please refer front page of this KID



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



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



ARRANGERS OF THE ISSUE	<p>Through Electronic Bidding Platform (EBP) of NSE</p> <p>As per SIDBI's Arranger Policy uploaded on EBP for current issue Minimum Quantum for Arrangership: ₹ 100 crore Arrangership Fee: 0.03%</p>																										
	<table border="1"> <thead> <tr> <th data-bbox="587 322 1107 383">Name</th> <th data-bbox="1107 322 1259 383">Amt (Rs in Cr)</th> </tr> </thead> <tbody> <tr> <td data-bbox="587 383 1107 423">A. K. CAPITAL SERVICES LTD</td> <td data-bbox="1107 383 1259 423">100</td> </tr> <tr> <td data-bbox="587 423 1107 463">CANARA BANK</td> <td data-bbox="1107 423 1259 463">100</td> </tr> <tr> <td data-bbox="587 463 1107 504">NUVAMA WEALTH MANAGEMENT LTD</td> <td data-bbox="1107 463 1259 504">100</td> </tr> <tr> <td data-bbox="587 504 1107 544">ICICI SECURITIES PRIMARY DEALERSHIP LTD</td> <td data-bbox="1107 504 1259 544">100</td> </tr> <tr> <td data-bbox="587 544 1107 584">STCI PRIMARY DEALER LTD</td> <td data-bbox="1107 544 1259 584">100</td> </tr> <tr> <td data-bbox="587 584 1107 624">TIPSONS CONSULTANCY SERVICES PVT. LTD.</td> <td data-bbox="1107 584 1259 624">100</td> </tr> <tr> <td data-bbox="587 624 1107 665">TRUST INVESTMENT ADVISORS PVT. LTD</td> <td data-bbox="1107 624 1259 665">105</td> </tr> <tr> <td data-bbox="587 665 1107 705">ICICI BANK LTD</td> <td data-bbox="1107 665 1259 705">125</td> </tr> <tr> <td data-bbox="587 705 1107 745">UNION BANK OF INDIA</td> <td data-bbox="1107 705 1259 745">125</td> </tr> <tr> <td data-bbox="587 745 1107 786">PNB GILTS LTD</td> <td data-bbox="1107 745 1259 786">213</td> </tr> <tr> <td data-bbox="587 786 1107 826">AXIS BANK LTD</td> <td data-bbox="1107 786 1259 826">250</td> </tr> <tr> <td data-bbox="587 826 1107 866">KOTAK MAHINDRA BANK LTD</td> <td data-bbox="1107 826 1259 866">300</td> </tr> </tbody> </table>	Name	Amt (Rs in Cr)	A. K. CAPITAL SERVICES LTD	100	CANARA BANK	100	NUVAMA WEALTH MANAGEMENT LTD	100	ICICI SECURITIES PRIMARY DEALERSHIP LTD	100	STCI PRIMARY DEALER LTD	100	TIPSONS CONSULTANCY SERVICES PVT. LTD.	100	TRUST INVESTMENT ADVISORS PVT. LTD	105	ICICI BANK LTD	125	UNION BANK OF INDIA	125	PNB GILTS LTD	213	AXIS BANK LTD	250	KOTAK MAHINDRA BANK LTD	300
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KOTAK MAHINDRA BANK LTD	300																										
OTHER CONDITIONS	<ol style="list-style-type: none"> Multiple bids by an investor: Investors are now permitted to place multiple bids in an issue. Allotment on yield-time priority basis: Allotment to the bidders shall be done on the basis of "Yield-time priority". Thus, allotment shall be done first on "yield priority" basis, however, where two or more bids are at the same yield, then the allotment shall be done on "time - priority" basis. Further, if two or more bids have the same yield and time, then allotment shall be done on "pro-rata" basis. Pay-in of funds through clearing corporation of stock exchanges on T+2, where T is the issue day. 																										

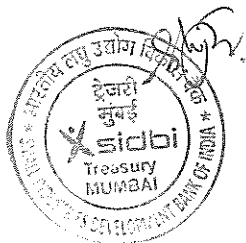


3. EXPENSES OF THE ISSUE: EXPENSES OF THE ISSUE ALONG WITH A BREAKUP FOR EACH ITEM OF EXPENSE, INCLUDING DETAILS OF THE FEES PAYABLE TO SEPARATELY AS UNDER (IN TERMS OF AMOUNT, AS A PERCENTAGE OF TOTAL ISSUE EXPENSES AND AS A PERCENTAGE OF TOTAL ISSUE SIZE), AS APPLICABLE:

Expense Head	Amount in Rs.	Percentage of total issue expenses	Percentage of total issue size
Depository (NSDI/CDSL)	11,800.00	0.00	0.00
EBP	76,700.00	0.01	0.00
R&T	5,900.00	0.00	0.00
SEBI Listing Fees	5,900.00	0.00	0.00
Stamp Duty	10,61,550.00	0.17	0.01
Arrangeship fee	60,81,72,000.00	99.25	2.86
Core Settlement Guarantee fund	34,07,084.00	0.56	0.02
Total	61,27,40,934.00	100.00	2.89
Expense Head	Amount in Rs.	Percentage of total issue expenses	Percentage of total issue size
NSE	11,80,000.00	Charged on annual basis.	
Credit Ratings	1,01,48,000.00		
Debenture Trustee fee	23,600.00		

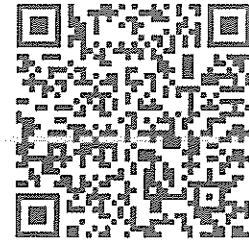
Lead Manager Fees, underwriting commission, Brokerage Selling Commission & Upload Fees, Fees payable to legal advisors, Advertising and Marketing Expense, Printing and distribution expenses are not applicable. The same has been disclosed in the relevant GID.

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



CONFIDENTIAL

RL/SIDBILT/333544/NCD/0624/91045/163131650
June 13, 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 May 14, 2024 bearing Ref. no: RL/SIDBILT/333544/NCD/0524/87953/163131650

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 ratings/s.


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

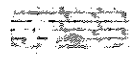
Should you require any clarifications, please feel free to contact us.

With warm regards,

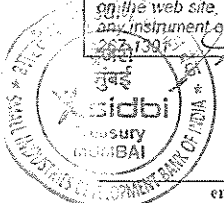
Yours sincerely,


Vani Ojastvi
Associate Director - CRISIL Ratings


Nivedita Shibu
Director - CRISIL Ratings

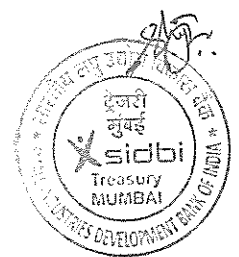


Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingsdesk@crisil.com or at 1800-262-1397.



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

Annexure-I (Credit Ratings Letter)
(Enclosed Separately)



⁽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:

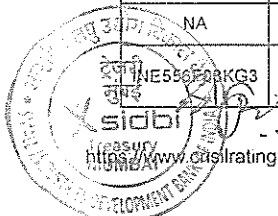
CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

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
INE556F0BKG3	Debentures	18-Jan-2023	@7.59% PER ANNUM	10-Feb-2026	5,000	Simple	CRISIL AAA/Stable



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

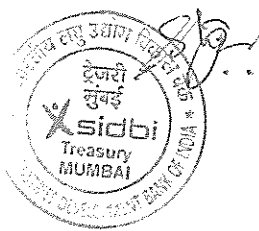
Borrowings (including deposits), on a consolidated basis, were Rs 4,00,604 crore as on March 31, 2023 (Rs 2,46,416 crore as on March 31, 2022), of which deposits and bonds/debentures formed 50% and 12%, respectively. Borrowings (including deposits), were Rs 4,28,762 crore as on September 30, 2023. The 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.





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

*Yet to be issued

Annexure - List of Entities Consolidated

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

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
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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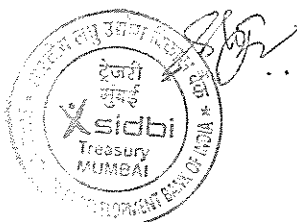
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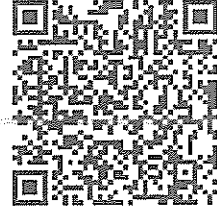
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No. CARE/HO/RL/2024-25/1588

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



June 20, 2024

Confidential

Dear Sir,

Credit rating for unsecured redeemable bonds

Please refer to our letter no. CARE/HO/RL/2024-25/1323 dated May 22, 2024, and your request for revalidation of the rating assigned to the unsecured redeemable bonds of your company, for a limit of Rs.1,12,315.00 crore.

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

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

- Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IP	Details of top 10 investors
							A	

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

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CIN-L67190MH1993PLC071691





RATINGS

5. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
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7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
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Thanking you,

Yours faithfully,

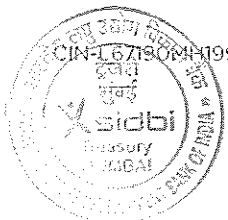
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Small Industries Development Bank of India
December 29, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	27,500.00	CARE AAA; Stable	Reaffirmed
Short-term bank facilities	91,995.00 (Enhanced from 81,000.00)	CARE A1+	Reaffirmed
Issuer rating	0.00	CARE AAA; Stable	Reaffirmed
MSE/RIDF deposits	212,000.00	CARE AAA; Stable	Reaffirmed
Unsecured redeemable bonds	112,315.00 ^ (Reduced from 112,565.00)	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.careratings.in and other CARE Ratings Ltd.'s publications



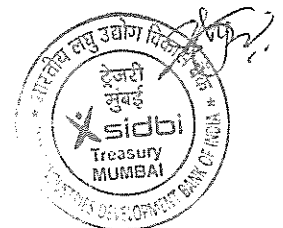
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Government support and ownership by public sector entities

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 19.29% 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 September 30, 2023, CAR and Tier I CAR stood comfortable at 17.09% and 16.61%, 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 14.31x as on September 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 latest by 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, Department of Financial Services and Parliament Committee have advised capital infusion of ₹10,000 crore in SIDBI through rights issue, which should be carried out in two tranches of ₹5,000 crore each. 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. As on September 30, 2023, domestic market borrowings constituted 57.18% (FY23: 53.71%), MSE (RIDF) deposits constituted 39.27% (FY23: 42.76%) of the total borrowings, respectively, with overseas borrowings constituting 0.85% (FY23: 1.16%).

SIDBI was allotted MSE Refinance Funds of ₹75,000 crore for FY24, however, the same has been reduced to ₹65,000 crore. Out of the allocated amount, the FI has received ₹32,000 crore in Q3FY24. 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 H1FY24, overall profitability declined with ROTA decreasing to 0.99% (annualised), 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 94.42% (FY23: 94.40%) of the total portfolio as on September 30, 2023, while direct financing stood at 5.58% (FY23: 5.60%). Of the indirect finance portfolio, refinance to banks (including SFBS) constituted 81.23% (FY23: 83.65%) of the total portfolio of the bank, assistance to NBFCs constituted 11.41% (FY23: 9.37%) of the total portfolio, while assistance to MFIs constituted 1.79% (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 0.00%, respectively, as on September 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. However, as on September 30, 2023, the asset liability maturity (ALM) statement, exhibits negative cumulative mismatches across all time buckets till 6 months. This is primarily on account of repayment of short-term loans which will get rollover and non-receipt of MSE refinance fund's first tranche which was received post September 2023. As on September 30, 2023, it had undrawn lines of around ₹5,955 crore from banks and undrawn RIDF allocations of ₹65,000 crore. The 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](#)

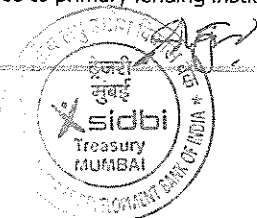
[Policy on Withdrawal of Ratings](#)

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 September 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 September 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)	H1FY24 (UA)
Total operating income	9,139	18,485	14,611
PAT	1,958	3,344	2,166
Interest coverage (times)	1.42	1.35	1.28
Total assets	2,47,379	402,382	468,472
Net NPA (%)	0.07	0.00	0.00
ROTA (%)	0.89	1.03	0.99

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

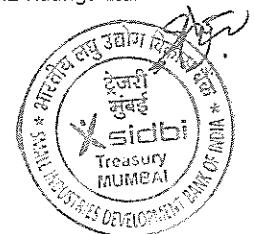
Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

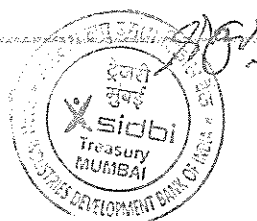
Lender details: Annexure-5

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	0.00	Withdrawn
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	INE556F08KDO	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	INE556F08KK5	19-Oct-23	7.79%	19-Apr-27	3,022.29	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KL3	24-Nov-23	7.83%	24-Nov-28	4,887.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KM1	22-Dec-23	7.79%	14-May-27	4,013.00	CARE AAA; Stable
Bonds- Unsecured Redeemable (Proposed)	-	-	-	-	40,387.71	CARE AAA; Stable



Fixed deposit	-	-	-	-	23,000.00	CARE AAA; Stable
Fund-based- Long-term bank facilities	-	-	-	23-Aug-25	27,500.00	CARE AAA; Stable
Fund-based- Short-term bank facilities	-	-	-	23-Aug-25	81,995.00	CARE A1+
Fund-based- Short-term bank facilities (Proposed)	-	-	-	-	10,000.00	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	INE556F14JJ7	21-Jun-23	7.25%	18-Dec-23	2,600.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JL3	19-Jul-23	7.24%	15-Feb-24	3,775.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JJ7	18-Sep-23	7.15%	18-Dec-23	2,200.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JR0	20-Sep-23	7.15%	20-Dec-23	3,000.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JS8	22-Sep-23	7.15%	22-Dec-23	2,900.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JT6	09-Oct-23	7.30%	28-Feb-24	900.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JU4	27-Oct-23	7.33%	25-Jan-24	5,725.00	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	INE556F16AM5	11-Dec-23	7.90%	11-Dec-24	3,425.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD (Proposed)	-	-	-	-	63,365.00	CARE AAA; Stable / CARE A1+
MSE/RIDF deposits	-	-	-	-	212,000.00	CARE AAA; Stable

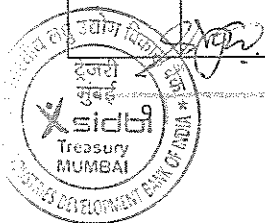
Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating History			
			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+ (04-Oct-23) 2)CARE AAA; Stable / CARE A1+ (21-Jun-23) 3)CARE AAA; Stable / CARE A1+ (06-Jun-23)	1)CARE AAA; Stable / CARE A1+ (28-Feb-23) 2)CARE AAA; Stable / CARE A1+ (29-Nov-22) 3)CARE AAA; Stable / CARE A1+ (06-Sep-22) 4)CARE AAA;	1)CARE AAA; Stable / CARE A1+ (02-Sep-21)	1)CARE AAA; Stable / CARE A1+ (04-Sep-20)

						Stable / CARE A1+ (07-Jul-22)		
2	Fixed deposit	LT	23000.00	CARE AAA; Stable	1)CARE AAA; Stable (04-Oct-23) 2)CARE AAA; Stable (21-Jun-23) 3)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 (04-Oct-23) 2)CARE AAA; Stable (21-Jun-23) 3)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 (04-Oct-23) 2)CARE AAA; Stable (21-Jun-23) 3)CARE AAA; Stable (06-Jun-23)	1)CARE AAA; Stable (28-Feb-23) 2)CARE AAA; Stable (26-Dec-22) 3)CARE AAA (Is); Stable (29-Nov-22)	1)CARE AAA (Is); Stable (02-Sep-21)	1)CARE AAA (Is); Stable (04-Sep-20)



						4)CARE AAA (Is); Stable (07-Jul-22)		
5	Bonds-Unsecured Redeemable	LT	112315.00	CARE AAA; Stable	1)CARE AAA; Stable (04-Oct-23) 2)CARE AAA; Stable (21-Jun-23) 3)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+ (04-Oct-23) 2)CARE A1+ (21-Jun-23) 3)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	85495.00	CARE A1+	1)CARE A1+ (04-Oct-23) 2)CARE A1+ (21-Jun-23) 3)CARE A1+ (06-Jun-23)	1)CARE A1+ (28-Feb-23) 2)CARE A1+ (29-Nov-22) 3)CARE A1+ (06-Sep-22)	1)CARE A1+ (28-Feb-22) 2)CARE A1+ (02-Sep-21)	1)CARE A1+ (28-Sep-20)



						4)CARE A1+ (07-Jul-22)		
8	Fund-based-Long term	LT	27500.00	CARE AAA; Stable	1)CARE AAA; Stable (04-Oct-23) 2)CARE AAA; Stable (21-Jun-23) 3)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

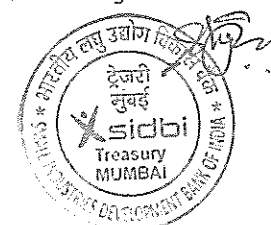
Annexure-4: Complexity level of the various instruments rated

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.



Contact us

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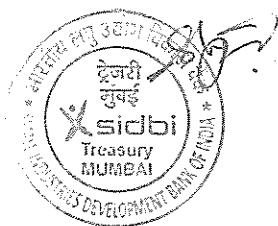
About us:

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.

Disclaimer:

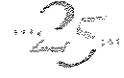
The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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



Annexure-2 (In- Principal approval from Stock Exchange)
(Enclosed Separately)





National Stock Exchange Of India Limited

Ref. No.: NSE/LIST/7799

June 18, 2024

The Compliance Officer
Small Industries Development Bank of India
SIDBI Tower, 15, Ashok Marg,
Lucknow-226001.

Kind Attn.: Shri Vishnu Kumar Sah

Dear Sir,

Sub.: In-principle approval for listing of Non-Convertible Debentures on private placement basis

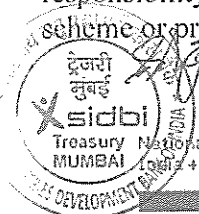
This is with reference to your application requesting for in-principle approval for General Information Document dated June 14, 2024 bearing ref no. SIDBI/TRMV/L001324337, for in-principle approval for proposed listing of rated, unsecured, redeemable, non-cumulative, taxable, non-convertible debentures, including zero coupon bonds, of face value of Rs. 100000/- (issuance/re-issuance) or Rs. 1000000/- (re-issuance), to be issued in various tranches by Small Industries Development Bank of India on a private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company includes the following Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

“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 Ref.: NSE/LIST/7799 dated June 18, 2024 or hosting the same on the website of NSE in terms of SEBI (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”

Please note that the approval given by the Exchange should not in any way be deemed or construed that the draft 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 draft offer document; nor does it warrant that the 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 the Company, its promoters, its management or any

scheme or project.



Ref. No.: NSE/LIST/7799

June 18, 2024

The in-principle approval granted by the Exchange is subject to the Issuer submitting to the Exchange prior to opening of the issue and at the time of listing, a valid credit rating letter/rationale covering the total issuance amount under the Key Information Document.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

<https://www.nsc-ebp.com>

<https://www.nseebp.com/ebp/rest/reportingentity?new=true>

This in-principle approval shall be valid for a period of one year from the date of opening of the first issue of securities under this General Information Document. Kindly note that such a first issue of securities under this General Information Document should be opened within one year from the date of this letter.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/Rule/Bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

Yours faithfully,
For National Stock Exchange of India Limited

Prakash Kelkar
Manager

