




SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
(Established under the Small Industries Development Bank of India Act, 1989)
PAN: AABCS3480N; Date and Place of Incorporation: 02nd April 1990, Lucknow



Head Office: SIDBI Tower, 15, Ashok Marg, Lucknow – 226001
Tel (0522) 2288546-50, Fax (0522) 2288455
Mumbai Office: SWAVALAMBAN BHAVAN, Plot No. C-11, G Block, Bandra - Kurla Complex,
Bandra (East), Mumbai – 400051, Tel (022) 67531100 Fax (022) 26505790,
Website: www.sidbi.in Email: rmd_mo@sidbi.in & treasury_frontoffice@sidbi.in

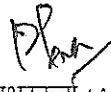
PRIVATE PLACEMENT MEMORANDUM DATED July 14, 2022

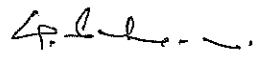
Issued in conformity with SIDBI Act, 1989, as amended, Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021, as amended. This issuance would be under the electronic book mechanism for issuance of debt securities on private placement basis as per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

PRIVATE PLACEMENT OF REDEEMABLE, TAXABLE, NON-CONVERTIBLE, NON-PRIORITY SECTOR, UNSECURED SECURITIES IN THE NATURE OF DEBENTURE OF FACE VALUE ₹ 10 LACS EACH (THE "BONDS") UNDER SERIES II/FY 2022-23 WITH BASE ISSUE SIZE OF ₹1000 CRORE AND WITH AN OPTION TO RETAIN OVERSUBSCRIPTION BY WAY OF GREEN SHOE OPTION OF ₹2000 CRORE AGGREGATING TO ₹3000 CRORE THROUGH ISSUANCE OF BONDS WITH COUPON RATE OF 7.15% PAYABLE ANNUALLY AND REDEEMABLE AT PAR.

Registrar & Transfer Agent	Debenture Trustee of the Issue
<p>Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West Mumbai - 400083 Tel: :022-49186000, Fax: 022-49186060 Email: debtca@linkintime.co.in Website: www.linkintime.co.in Contact person-Mr Ganesh Jadhav, Asst. Vice President</p> <p>LINKIntime</p>	<p>IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. T: (91) (22) 40807023. Website: www.idbitrustee.com Email:itsl@idbitrustee.com / response@idbitrustee.com</p> <p align="center"></p> <p>IDBI Trusteeship Services Ltd Contact person- Mr. Ritobrata Mitra, Sr. Manager</p>

Credit Rating Agencies	
<p>CARE Ratings Ltd. (Formerly known as Credit Analysis & Research Ltd.) 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 22. Tel.:022- 6754 3456 (Board), Mob.: +91-9860020004; Fax: +91-22- 67543457 / 67</p> <p align="center"></p> <p align="center">Contact person-Mr Dharmesh Gandhi, Lead Analyst</p>	<p>ICRA Ltd. Regd. Office B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001 Tel: 011- 23357940 Contact person: Mr.L. Shivakumar</p> <p align="center"></p> <p align="center">ICRA A MOODY'S INVESTORS SERVICE COMPANY</p> <p align="center">Email:shivakumar@icraindia.com URL: www.icra.in</p>
Current Rating & date: AAA/ Stable, July 1, 2022	Current Rating & date: AAA/ Stable, July 8, 2022

For Small Industries Development Bank of India

प्राधिकृत हस्ताक्षरकर्ता / Authorised Signatory

For Small Industries Development Bank of India

प्राधिकृत हस्ताक्षरकर्ता / Authorised Signatory








Compliance Officer	Promoters	GM Incharge (Accounts)	Issue Schedule
Shri Pankaj Kumar Sahu, DGM Tel:- 0522-4259806 Email: pankaj@sidbi.in	President through, MOF, Government of India and institutions / public sector banks / insurance companies owned or controlled by the Gov.	Shri Rajendra Agrawal, Tel:- 022-67531395 Email: ragrawal@sidbi.in	Opening date- July 14, 2022 Closing date- July 14, 2022 Pay in Date- July 18, 2022 Deemed Allotment Date – July 18, 2022

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

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

Issuer Information:

<p>1.Name and address of the Registered Office of the Issuer:</p> <p>Head Office: SIDBI Tower, 15, Ashok Marg, Lucknow – 226001, Tel (0522) 2288546-50, Fax (0522) 2288455</p> <p>Mumbai Office: SWAVALAMBAN BHAVAN, Plot No. C11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051, Tel (022) 67531100 Fax (022) 26505790</p> <p>Website: www.sidbi.in Email: rmd_mo@sidbi.in & treasury_frontoffice@sidbi.in</p>	<p>2. Compliance Officer</p> <p>Shri Pankaj Kumar Sahu, DGM SIDBI Tower, 15, Ashok Marg, Lucknow - 226001 Uttar Pradesh Tel:- 0522-4259806 Email: pankaj@sidbi.in</p>
<p>3. Arrangers of the issue</p> <p>As per term sheet</p>	<p>4.Trustee of the issue</p> <p>IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. T: (91) (22) 40807023. Website: www.idbitrustee.com Email: itsl@idbitrustee.com / response@idbitrustee.com Contact person- Mr. Ritobrata Mitra, Sr. Manager</p>  <p>IDBI trustee IDBI Trusteeship Services Ltd</p>
<p>5. Registrar and Transfer Agents</p> <p>Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West Mumbai - 400083 Tel: :022-49186000, Fax: 022-49186060 Email: debtca@linkintime.co.in Website: www.linkintime.co.in Contact person-Mr Ganesh Jadhav, Asst. Vice President</p> 	<p>6. Auditors of the Issuers</p> <p>M/s BORKAR & MUZUMDAR 21/168, Anand Nagar Om CHS, Anand Nagar Lane, Vakola, Santa Cruz East, Mumbai – 400 055 Contact No: 022- 66899999 Email address: contact@bnmca.com</p>  <p>Borkar & Muzumdar Chartered Accountants</p>

7. Rating agencies of the Issue	
<p>CARE Ratings Ltd. (Formerly known as Credit Analysis & Research Ltd.) 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 22. Tel.:022- 6754 3456 (Board), Mob.: +91-9860020004; Fax: +91-22- 67543457 / 67</p> <p> Contact person-Mr Dharmesh Gandhi, Lead Analyst</p> <p>Rationale - Attached</p>	<p>ICRA Ltd. Regd. Office B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001 Tel: 01123357940 Contact person: Mr.L. Shivakumar Email:shivakumar@icraindia.com URL: www.icra.in</p> <p> ICRA A MOODY'S INVESTORS SERVICE COMPANY</p> <p>Rationale - Attached</p>
8. Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters :- <i>None</i>	

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

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

Sl. No.	Name and Designation	PAN No.
1	Shri Sivasubramanian Ramann	AABPR9184R
2	Shri V. Satya Venkata Rao	ACEPV3063A
3	Shri Sudatta Mandal	AALPM7389P
4	Shri Devendra Kumar Singh	AOUPS7524R
5	Shri Lalit Kumar Chandel	AAGPC1282J
6	Shri Krishna Singh Nagnyal	AANPN6331N
7	Shri B. Sankar	AFHPB2365P
8	Shri Monomoy Mukherjee	AABPM5513H
9	Shri G. Gopalakrishna	AAAPG6780D
10	Shri Ashish Gupta	AAAPG6780D
11	Smt Nupur Garg	AGVPG6648R
12	Shri Amit Tandon	AADPT7741C

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

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

The NCD shall be listed in NSE. In principle approval date July 12, 2022

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

Particulars	Date
Issue Opening Date	July 14, 2022
Issue Closing Date	July 14, 2022
Pay-in Date	July 18, 2022
Deemed Date of Allotment	July 18, 2022



2.3.6 Issue Details: - Given at Page no. 1 & 2.

2.3.7 About the Issuer

1. Overview

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

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

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

SIDBI's Mission Statement

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

SIDBI, in its operational strategy, emphasizes:

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

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

SIDBI's assistance to MSMEs broadly covers:

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

The purpose, for which SIDBI's assistance is provided, includes financial assistance for new projects, expansion, diversification, technology upgradation, modernization, quality improvement, environmental management and marketing (domestic and international). Besides



financing, SIDBI provides developmental and support services to MSMEs under its P&D schemes. The focus of such assistance is to ensure:

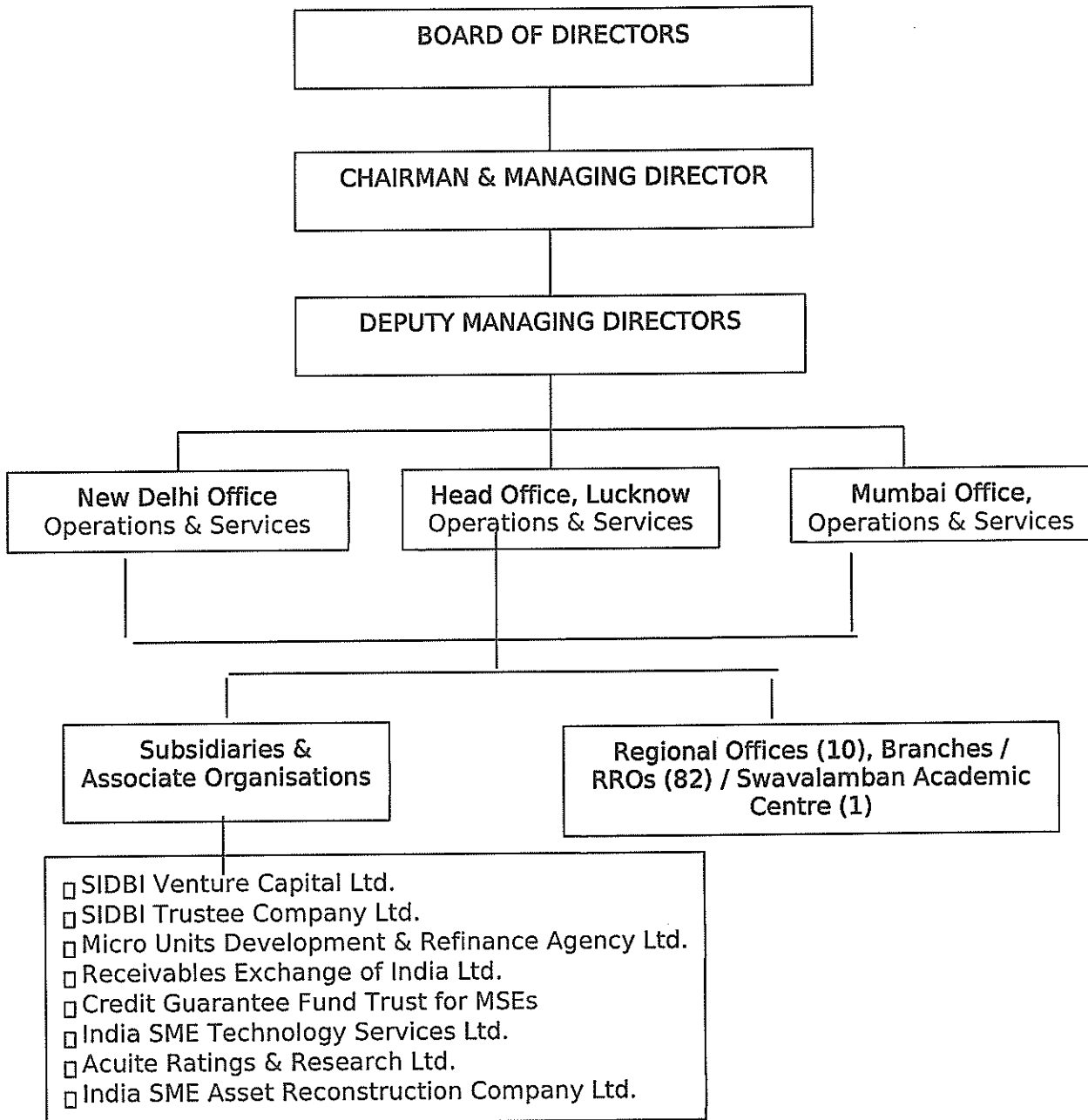
- Human Resource Development
- Enterprise promotion
- Technology Upgradation
- Environmental and quality management
- Information Dissemination and
- Market Promotion

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



2. Organization Structure of SIDBI

Annexure I – Organization Structure of SIDBI



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

The funds being raised by the Issuer through present issue of bonds are not meant for financing any particular project. The proceeds of the issue will be utilized for normal business activities of SIDBI and for such other purposes as may be decided by SIDBI's Board and as permissible under applicable laws and government policies.

2.3.8 Columnar Representation of Audited Financial Statements

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

a. Standalone audited financial statements

(₹ in crore)

A. Standalone Balance Sheet	31-Mar-22	31-Mar-21	31-Mar-20
CAPITAL AND LIABILITIES			
Capital	568.54	531.92	531.92
Reserves, Surplus and Funds	24,014.53	20,756.29	18465.54
Deposits	1,40,878.43	1,24,412.12	105971.65
Borrowings	75,712.44	39,090.19	55703.38
Other Liabilities and Provisions	6,204.01	7,531.92	6864.97
Deferred Tax Liability	0.75	0.00	1.52
Total	2,47,378.70	1,92,322.44	187538.98
ASSETS			
Cash and Bank Balances	17,918.31	13,807.96	6483.39
Investments	23,951.56	19,153.47	11117.85
Loans & Advances	2,02,251.78	1,56,232.80	165421.56
Fixed Assets	293.12	277.32	286.71
Other Assets	2,963.92	2,850.90	4229.47
Total	2,47,378.70	1,92,322.44	187538.98
Contingent Liabilities	5,337.90	5,950.61	7613.99
B. Standalone Profit & Loss Account			
INCOME			
Interest and Discount	8,714.12	10,221.36	11020.94
Other Income	425.06	944.27	1069.36
Total	9,139.18	11,165.63	12090.30
EXPENDITURE			
Interest & Financial charges	5,701.63	6,542.88	7722.06
Operating Expenses	697.72	560.00	607.46
Provisions & Contingencies	351.81	915.24	952.98
Total	6,751.16	8,018.12	9282.50
Profit before Tax	2,388.02	3,147.51	2807.80
Provision for Income Tax	411.58	768.66	517.47
Deferred Tax Adjustment [(Asset) / Liability]	(18.65)	(19.43)	(24.19)
Profit after Tax	1,957.79	2,398.28	2314.52
Profit brought forward	53.97	96.18	49.99
Total Profit / (Loss)	2,011.76	2,494.45	2364.51



Appropriations			
Transfer to General Reserve	1800.41	2250.00	2210.00
Transfer to Special Reserve u/s 36(1)(viii) of The Income Tax Act, 1961	70.00	80.00	55.00
Others			
a)Transfer to Investment Fluctuation Reserve	10.97	0.00	0.34
Transfer to Staff Welfare Fund	10.56	4.10	3.00
Dividend on Shares	79.81	106.38	0.00
Tax on Dividend	0.00	0.00	0.00
Surplus in Profit & Loss account carried forward	40.00	53.97	96.18
Total	2011.76	2494.45	2364.51
C. Standalone Cash Flow Statement	31-Mar-22	31-Mar-21	31-Mar-20
1. Cash Flow from Operating Activities			
Net Profit before tax as per P & L Account	2388.02	3,147.51	2807.80
Adjustments for:			
Depreciation	36.19	24.04	18.27
Provision for net depreciation in Investments	5.53	15.62	703.89
Provisions made (net of write back)	398.32	969.17	339.32
Profit on sale of investments (net)	(70.44)	(125.89)	(398.46)
Profit on sale of fixed assets	(0.14)	(0.08)	(0.44)
Dividend Received on Investments	(47.78)	(453.98)	(48.48)
Cash generated from operations		3,576.40	3421.90
(Prior to changes in operating Assets and Liabilities)			
Adjustments for net changes in :			
Current assets	(38.08)	1,085.76	907.18
Current liabilities	(1731.75)	(694.90)	(1977.01)
Bills of Exchange	(13.45)	139.26	396.15
Loans & Advances	(45994)	9,334.65	(29393.81)
Net Proceeds of Bonds and Debentures & other borrowings	36622.25	(16,613.19)	(3996.40)
Deposits received	16466.31	18,440.47	34049.17
	5,311.26	15,268.45	3407.18
Payment of Tax	(504.42)	(457.94)	(532.53)
Net Cash flow from operating Activities	7,516.54	14,810.51	2874.65
2. Cash flow from Investing Activities			
Net (Purchase)/Sale of fixed assets	(51.85)	(14.57)	(19.13)
Net (Purchase)/sale/redemption of Investments	(14,232.31)	(15,433.88)	263.39
Dividend Received on Investments	47.78	453.98	48.49
Net cash used in Investing Activities	(14,236.37)	(14,994.47)	(292.75)
3. Cash flow from Financing Activities			
Dividend on Equity Shares & tax on Dividend	(106.38)	0.00	(165.12)
Proceeds from issuance of share capital & share premium	1422.80	0.00	0.00
Net cash used in Financing Activities	1316.42	0.00	(165.12)

4. Net increase/(decrease) in cash and cash equivalents	(5403.42)	(183.96)	3002.27
5. Cash and Cash Equivalents at the beginning of the period	7909.84	8,093.81	5091.53
6. Cash and Cash Equivalents at the end of the period	2,506.43	7,909.84	8093.81

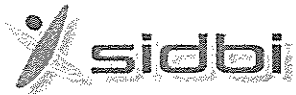
B. Consolidated audited financial statements

(₹ in crore)

A. Consolidated Balance Sheet	31-Mar-22	31-Mar-21	31-Mar-20
Capital	568.54	531.92	531.92
Reserves, Surplus and Funds	25,062.79	21,599.74	19099.72
Deposits	1,70,704.30	1,44,364.77	122846.65
Borrowings	75,712.44	39,090.19	55526.26
Other Liabilities and Provisions	6,831.68	8,104.71	7390.24
Deferred Tax Liability	0.00	0.00	0.00
Total	2,78,879.74	2,13,691.33	205394.79
Cash and Bank Balances	30,771.86	23,076.75	16748.39
Investments	22,243.62	17,451.75	9431.56
Loans & Advances	2,22,290.63	1,69,859.34	174511.07
Fixed Assets	293.91	278.12	287.29
Other Assets	3,279.72	3,025.37	4416.48
Total	2,78,879.74	2,13,691.33	205394.79
Contingent Liabilities	5,337.90	5,950.61	7613.99
B. Consolidated Profit & Loss Account			
Interest and Discount	9,715.64	11,214.31	12119.65
Other Income	417.42	929.58	1079.08
Total	10,133.06	12,143.89	13198.73
Interest & Financial charges	6,363.02	7,190.89	8370.61
Operating Expenses	711.78	571.34	651.78
Provisions & Contingencies	378.96	943.00	1013.17
Total	7,453.75	8,705.23	10035.56
Profit before Tax	2,679.31	3,438.66	3163.17
Provision for Income Tax	499.84	782.67	625.50
Deferred Tax Adjustment [(Asset) / Liability]	11.68	33.55	-9.68
Share of earning/(loss) in associates	5.81	14.90	2.48
Profit after Tax	2,161.98	2,607.55	2544.87



Profit brought forward	301.46	183.56	104.83
Total Profit / (Loss)	2,463.44	2,791.11	2649.70
Transfer to General Reserve	1,800.54	2,250.12	2360.00
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961	70.00	80.00	55.00
Transfer to Statutory reserve u/s 45-IC of RBI Act, 1934	46.56	49.04	46.80
Others			
a) Transfer to Investment Fluctuation Reserve	10.96	0.00	0.34
Transfer to Staff Welfare Fund	10.55	4.10	3.00
Development Fund	0.00	0.00	0.00
Dividend on Shares	79.82	106.38	0.00
Tax on Dividend	0.00	0.00	0.99
Surplus in Profit & Loss account carried forward	444.99	301.46	183.56
Total	2,463.44	2,791.11	2649.69
Net Profit before tax as per Consolidated P & L Account	2,679.31	3438.66	3163.17
Depreciation	36.44	24.09	18.37
Provision for net depreciation in investments	5.53	15.62	703.89
Provisions made (net of write back)	425.63	996.54	398.96
Profit on sale of investments (net)	(561.93)	(626.12)	(898.38)
Profit on sale of fixed assets	(0.14)	(0.08)	(0.44)
Dividend/Interest Received on Investments	(19.47)	(428.84)	(43.63)
Cash generated from operations	2,565.37	3,419.88	3341.94
Current assets	(169.74)	1,078.69	913.18
Current liabilities	8,168.99	2,382.88	193.54
Bills of Exchange	(13.45)	139.26	396.16
Loans & Advances	(52,406.31)	4,797.62	(26636.38)
Net Proceeds of Bonds and Debentures & other borrowings	36,623.05	(16,613.19)	(4173.53)
Deposits received	14,600.56	15,362.01	34049.17
Payment of Tax	(595.88)	(483.84)	(654.77)
Net Cash Flow from Operating Activities	8,772.60	10,083.28	7429.31
Net (Purchase)/Sale of fixed assets	(52.09)	(14.84)	(19.13)
Net (Purchase)/ sale/redemption of Investments	(13,741.19)	(14,757.93)	(2188.40)
Dividend/ Interest Received on Investments	47.78	453.98	48.48
Net cash used in Investing Activities	(13,745.50)	(14,318.79)	(2159.05)
Dividend on Equity Shares & tax on Dividend	(134.70)	(25.14)	(170.97)



Proceeds from issuance of share capital & share premium	1422.80	0.00	0.00
Net cash used in Financing Activities	1288.10		(170.97)
4. Net increase / (decrease) in cash and cash equivalents	(3684.80)	(4260.64)	5099.28
5. Cash and Cash Equivalents at the beginning of the period	8,050.10	12,310.74	7211.45
6. Cash and Cash Equivalents at the end of the period	4,365.30	8,050.10	12310.74



C. Auditors Report

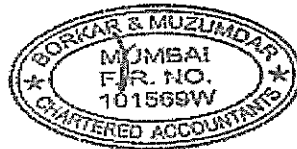
Borkar & Muzumdar
Chartered Accountants

Independent Auditor's report for the Quarter and Year ended standalone financial results of Small Industries Development Bank of India (SIDBI) pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Opinion

1. We have audited the accompanying standalone Financial Results of Small Industries Development Bank of India ("the Bank") for the quarter and year ended 31st March 2022 ('Financial Results') attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, these standalone Financial Results:
 - i. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
 - ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended 31st March 2022.



Tel. : 66899999 • Email : contact@bnmca.com • Website : www.bnmca.com
21/168, Anand Nagar Om C.H.S., Anand Nagar Lane, Off Nehru Road, Vokola, Santacruz (E), Mumbai - 400 055
Branches : Ahmedabad • Bangalore • Bhopal • Bileaspur • Delhi • Goa • Indore • Jabalpur • Jaipur
Kolkata • Nagpur • Patna • Pune • Raipur

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note No. 7 of the accompanying standalone financial results, regarding the impact of COVID-19 pandemic on the Bank's operations and asset quality for the quarter and year ended 31st March 2022. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on ongoing as well as future developments.

Our opinion is not modified in respect of this matter.

Management responsibilities for the standalone financial results.

5. These standalone Financial Results have been prepared on the basis of the audited standalone annual financial statements. The Bank's Management is responsible for the preparation of these standalone Financial Results that give a true and fair view of the net profit and other financial information in accordance with the Small Industries Development Bank of India General Regulations, 2000, and recognition and measurement principles laid down in the Accounting Standards notified by the Institute of Chartered Accountants of India, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank and for preventing and detecting frauds and other





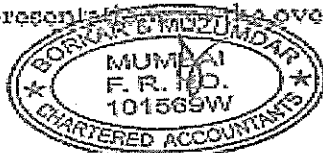
irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

- Identify and assess the risks of material misstatement of the standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
 - Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure, and content of the standalone Financial Results, including the disclosures, and whether the standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





Other Matters

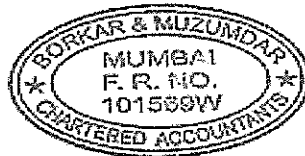
11. These standalone Financial Results incorporate the relevant returns of 26 branches visited/audited by us including Head Office which covers 95.50% of Advances, 99.22% of deposits and 100% of Borrowings as on 31st March 2022 and 91.95% of Interest income on advances, 98.28% of interest expense on deposits and 100% of interest expense on borrowings for the year ended 31st March 2022. These branches have been selected in consultation with the management of the Bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized data base at Head Office.
12. The standalone Financial Results includes the results for the quarter ended 31st March 2022, being the derived balancing figures between the standalone audited figures in respect of the full financial year ended 31st March 2022 and the published standalone unaudited year to date figures upto the nine months ended 31st December 2021, of the current financial year which have only been reviewed and not subjected to audit by us

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

For Borkar & Muzumdar
Chartered Accountants
Firm's Registration No. 101569W

Darshit Doshi

Darshit Doshi
Partner
Membership No. 133755
UDIN: 22133755AJCJFN5135



Place: Mumbai
Date: 17th May 2022



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

(₹ in crore)

1. Consolidated

Balance Sheet	31-Mar-22	31-Mar-21	31-Mar-20
Net Fixed assets	293.91	278.12	287.29
Current assets	NA	NA	NA
Non-current assets	NA	NA	NA
Total assets	2,78,879.74	2,13,691.33	2,05,394.79
Non-Current Liabilities ((including maturities of long term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net)\$			
Other non-current liabilities\$			
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) \$			
Other current liabilities			
Equity (equity and other equity) includes Capital, Reserve, Surplus & Funds	25,631.33	22,131.66	19,631.64
Total equity and liabilities	2,78,879.74	2,13,691.33	2,05,394.79
Profit and Loss			
Total revenue	10,133.06	12,143.88	13,198.74
From operations	9,715.64	11,214.31	12,119.65
Other income	417.42	929.58	1,079.08
Total Expenses (including Provisions)	7,453.75	8,705.23	10,035.56
Total comprehensive income	NA	NA	NA
Profit / loss (before Tax)	2,679.31	3,438.66	3,163.17
Other comprehensive income	NA	NA	NA
Profit / loss after tax	2,161.98	2,607.55	2,544.86
Earnings per equity share			
(a) basic and	40.63	49.02	47.84
(b) diluted	40.63	49.02	47.84
Continuing operations	NA	NA	NA
Discontinued operations	NA	NA	NA
Total Continuing and discontinued operations	NA	NA	NA
Cash Flow			
Net cash generated from operating activities	8,772.70	10,083.28	7,429.31
Net cash used in / generated from investing activities	(13,745.50)	(14,318.79)	(2,159.05)
Net cash used in financing activities	12.88	(25.14)	(170.97)
Cash and cash equivalents	4,365.30	8,050.10	12,310.74
Balance as per statement of cash flows	4,365.30	8,050.10	12,310.74
Additional information			



Net worth	Not Calculated		
Cash and Cash Equivalents	22,243.62	23,076.75	16,748.39
Current Investments	NA	NA	NA
Assets Under Management	NA	NA	NA
Off Balance Sheet Assets	5,337.90	5,950.61	7,613.99
Total Debts to Total assets	0.27	0.18	0.27
Debt Service Coverage Ratios	NA	NA	NA
Interest Income including Discounts	9,715.64	11,214.31	12,119.65
Interest Expense	6,363	7,190.89	8,370.61
Interest service coverage ratio	NA	NA	NA
Provisioning & Write-offs	378	943.00	1,013.17
Bad debts to Account receivable ratio	NA	NA	NA
Gross NPA (%)	Not Calculated		
Net NPA (%)	0.06	0.11	0.42
Tier I Capital Adequacy Ratio (%)	24.26%	28.78%	27.43%
Tier II Capital Adequacy Ratio (%)	0.02%	0.94%	0.95%

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

2. Standalone

Balance Sheet	31-Mar-22	31-Mar-21	31-Mar-20
Net Fixed assets	293.12	277.32	286.71
Current assets	NA	NA	NA
Non-current assets	NA	NA	NA
Total assets	2,47,378.69	1,92,322.45	1,87,538.98
Non-Current Liabilities ((including maturities of long term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net)\$			
Other non-current liabilities\$			
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) \$			
Other current liabilities			
Equity (equity and other equity) includes Capital, Reserve, Surplus & Funds	24,583.07	21,288.22	18,997.46
Total equity and liabilities	2,47,378.69	1,92,322.45	1,87,538.98
Profit and Loss			
Total revenue	9,139.18	11,165.63	12,090.30
From operations	8,714.12	10,221.36	11,020.94
Other income	425.06	944.27	1,069.36
Total Expenses (including Provisions)	6,751.16	8,018.12	9,282.50
Total comprehensive income	NA	NA	NA
Profit / loss (before Tax)	2,388.02	3,147.51	2,807.80
Other comprehensive income	NA	NA	NA
Profit / loss after tax	1,957.79	2,398.28	2,314.52



Earnings per equity share			
(a) basic and	36.79	45.09	43.51
(b) diluted	36.79	45.09	43.51
Continuing operations	NA	NA	NA
Discontinued operations	NA	NA	NA
Total Continuing and discontinued operations	NA	NA	NA
Cash Flow			
Net cash generated from operating activities	7,516.54	14,810.49	2,874.65
Net cash used in / generated from investing activities	(14,236.37)	(14,994.47)	292.74
Net cash used in financing activities	1,316.41	0.00	(165.12)
Cash and cash equivalents	2,506.42	7,909.83	8,093.80
Balance as per statement of cash flows	2,506.42	7,909.83	8,093.80
Additional information			
Net worth	23,497	20,667.33	18,039.26
Cash and Cash Equivalents	17,918.31	13,807.96	6,483.39
Current Investments	NA	NA	NA
Assets Under Management	NA	NA	NA
Off Balance Sheet Assets	5,337.90	5,950.61	7,613.99
Total Debts to Total assets	0.31	0.20	0.30
Debt Service Coverage Ratios	NA	NA	NA
Interest Income including Discounts	8,715	10,221.36	11,020.94
Interest Expense	5,702	6,542.88	7,722.06
Interest service coverage ratio	NA	NA	NA
Provisioning & Write-offs	352	915.24	952.98
Bad debts to Account receivable ratio	NA	NA	NA
Gross NPA (%)	0.11	0.18	0.63
Net NPA (%)	0.07	0.12	0.40
Tier I Capital Adequacy Ratio (%)	24.28%	27.49%	26.62%
Tier II Capital Adequacy Ratio (%)	0.00%	0.00%	0.00%

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

E: Debt: Equity Ratio of the Issuer:-

Before the issue of debt securities (as on March 31, 2022)	9.22
After the issue of debt securities during the current FY (including bond issues made after March 31, 2022)	9.43

2.3.9 Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability - ₹5,337.90 crore as per the audited results for the FY ending March 2022.

2.3.10 Brief history of the Issuer since its incorporation: -

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



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

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

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

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

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

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

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

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

c. Equity Share Capital History of SIDBI:-

No.	Date of Allotment	No. of Shares (Face Value of ₹10 each)	Issue Price (₹)	Total Paid Capital (₹)
1	First FY of Inception	45,00,00,000	10	450,00,00,000

2	August 14, 2015	3,69,82,250	10	36,98,22,500
3	June-September 2016	4,49,39,781	10	44,93,97,810
4	March 30, 2022	3,66,19,138	10	36,61,91,380
	Total	---	--	568,54,11,690

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

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

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

Sl. No.	Name of the Shareholder	No of shares held	% of Holding
1	Government of India	11,85,41,169	20.85%
2	State Bank of India	8,90,00,000	15.65%
3	Life Insurance Corporation of India	7,57,98,889	13.33%
4	National Bank for Agriculture & Rural Development	5,31,92,203	9.36%
5	Punjab National Bank	3,39,00,000	5.96%
6	Bank of Baroda	2,88,59,610	5.08%
7	National Housing Bank	2,60,00,000	4.57%
8	Canara Bank	2,56,59,610	4.51%
9	Union Bank of India	2,06,00,000	3.62%
10	Bank of India	1,51,00,000	2.66%
11	Central Bank of India	1,27,00,000	2.23%
12	United India Insurance Company Limited	83,00,000	1.46%
13	Export Import Bank of India	79,00,000	1.39%
14	IDBI Bank	70,89,688	1.25%
15	Indian Bank	63,00,000	1.11%
16	General Insurance Corporation of India	63,00,000	1.11%
17	National Insurance Company Limited	63,00,000	1.11%
18	New India Assurance Company Limited	63,00,000	1.11%
19	Oriental Insurance Company Limited	63,00,000	1.11%
20	Indian Overseas Bank	48,00,000	0.84%
21	Bank of Maharashtra	32,00,000	0.56%
22	Punjab & Sind Bank	32,00,000	0.56%
23	UCO Bank	32,00,000	0.56%
	Grand Total	56,85,41,169	100.00%

g. List of top 10 holders of equity shares of the Company as at the latest quarter end:

Sl. No.	Name of the Shareholder	No of shares held	% of Holding
1	Government of India	11,85,41,169	20.85%
2	State Bank of India	8,90,00,000	15.65%
3	Life Insurance Corporation of India	7,57,98,889	13.33%



4	National Bank for Agriculture & Rural Development	5,31,92,203	9.36%
5	Punjab National Bank	3,39,00,000	5.96%
6	Bank of Baroda	2,88,59,610	5.08%
7	National Housing Bank	2,60,00,000	4.57%
8	Canara Bank	2,56,59,610	4.51%
9	Union Bank of India	2,06,00,000	3.62%
10	Bank of India	1,51,00,000	2.66%

2.3.11 Details of directors:

A – Current Directors

Sl. No.	Name and Designation	Age / Date of Birth	Address	Director since	List of other directorships
1	Shri Sivasubramanian Ramann Chairman & Managing Director	25 February 1966	Small Industries Development Bank of India SWAVALAMBAN BHAVAN, Avenue 3, Lane 2, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	19 April 2021	1 SIDBI Venture Capital Ltd. 2 SIDBI Trustee Company Ltd. 3 Micro Units Development & Refinance Agency Ltd 4 Agency Ltd 5 Credit Guarantee Fund Trust for Micro and Small Enterprises 6 Receivables Exchange of India Ltd. 7 India SME Asset Reconstruction Co. Ltd. 8 National Credit Guarantee Trustee Company Ltd. 9 Entrepreneurship Development Institute of India (EDII) 10 SIDBI Swavalamban Foundation
2	Shri V. Satya Venkata Rao Dy. Managing Director	14 Jan 1965	Small Industries Development Bank of India	05 June 2020	1 Micro Units Development & Refinance Agency Limited 2 India SME Asset Reconstruction Company Limited 3 SIDBI Venture Capital Limited
	(Whole Time Director)		SIDBI Tower, 15, Ashok Marg, Lucknow – 226 001		4 SIDBI Trustee Company Limited

3	Shri Sudatta Mandal Dy. Managing Director (Whole Time Director)	20 April 1968	Small Industries Development Bank of India SWAVALAMBAN BHAVAN, Avenue 3, Lane 2, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	03 May 2021	1 Micro Units Development & Refinance 2 Agency Limited 3 Receivables Exchange of India Ltd. SIDBI Swavalamban Foundation
4	Shri Devendra Kumar Singh Secretary, Ministry of Cooperation, Govt. (Govt. Nominee)	20 June 1963	Krishi Bhawan, New Delhi - 110 001	05 June 2020	---
5	Shri Lalit Kumar Chandel Economic Advisor, Department of Financial Services, Ministry of Finance, Govt. (Govt. Nominee)		Jeevan Deep Building, Parliament Street, New Delhi – 110 001	01 Apr 2022	
6	Shri B. Sankar Chief General Manager (Directors nominated by three largest Shareholders)	5 July 1964	State Bank of India State Bank Bhavan, Nariman Point, Mumbai- 400 021	29 June 2021	1 Entrepreneurship Development Institute of India (EDII) 2 India (EDII) 3 Receivables Exchange of India Ltd. Online PSB Loans Ltd
7	Shri Krishna Singh Nagnyal Former Executive Director (Directors nominated by three largest Shareholders)	1 Feb 1962	House no. 6, Officer colony, Ramadi Aam Singh, Kaladungi Road Haldwani - Uttarakhand - 263 139	29 Oct 2021	-- -



8	<p>Shri Monomoy Mukherjee</p> <p>Chief General Manager</p> <p>(Directors nominated by three largest Shareholders)</p>	30 Sep 1964	NABARD, Head office, 'B' Wing, 5th Floor, Plot C-24, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	29 Dec 2021	---
9	<p>Shri G. Gopalakrishna</p> <p>Former Executive Director, Reserve Bank of India</p> <p>(Director Coopted by the Board of SIDBI)</p>	11 Mar 1956	B-301, Lady Ratan Tower, Danik Shivner Marg, Gandhinagar, Worli, Mumbai - 400 018	11 Aug 2018	<ol style="list-style-type: none"> 1 Invent ARC Pvt. Ltd. 2 Yaarii Digital Integrated Services 3 Ltd ICICI Home Finance Co. Ltd. 4 Risk and Compliance Professionals 5 Association (Not for profit company) 6 Axis Mutual Fund (Trustee company) 7 Krazybee Services Private Ltd <p>ICICI Prudential Pension Funds Management Company Limited</p>
10	<p>Shri Ashish Gupta</p> <p>Managing Director, Credit Suisse Securities India Pvt. Ltd.</p> <p>(Director Coopted by the Board of SIDBI)</p>	02 Jul 1973	A-201, Ashok Towers, Dr. Babasaheb Ambedkar Road, Parel, Mumbai - 400 012	11 Aug 2018	<ol style="list-style-type: none"> 1 Giarnav Realty Pvt. Ltd. 2 Navgia Realty Pvt. Ltd. 3 Credit Suisse Securities India Pvt. Ltd.
11	<p>Smt Nupur Garg</p> <p>Former Regional Lead – South Asia, Private Equity & Venture Funds, International Finance Corporation</p> <p>(Director Coopted by the Board of SIDBI)</p>	09 Aug 1974	Villa 72, The Palm Springs, DLF Phase V, Golf Course Road, Sector 54, Gurugram – 122 002	04 Feb 2019	<ol style="list-style-type: none"> 1 Avyana Business Ventures Private Limited 2 Winpe Development Forum (Not for profit company) 3 National Infrastructure Investment Fund 4 YourNest India VC Fund (on Advisory Board) 5 Growx Startups LLP (Individual Partner) 6 GrowX Ventures LLP 7 GrowX Business Ventures LLP 8 Indigo Paints Private Limited 9 Kerala Infrastructure Fund Management Limited

					10 Triumvirate Management Services Private Limited 11 Kids Clinic India Limited	
12	Shri Tandon Founder Managing Director of Institutional Investor Advisory Services India Limited (IIAS) (Director Coopted by the Board of SIDBI)	Amit and of	25 Oct 1960	Institutional Investor Advisory Services India Ltd DGP House, Ground Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025	08 Aug 2021	1 Institutional Investor Advisory Services India Limited 2 IIAS Research Foundation 3 Foundation For Audit Quality 4 Narain Family Trust

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

1.1

Sr .No.	Name	Date of Appointment / Resignation	Date of Cessation (in case of resignation)	Remarks (viz. Reasons for Change etc.)
1	Shri Lalit Kumar Chandel	01/04/2022	Currently on Board	Nominated: Government of India, vide its notification dated April 1, 2022, nominated Shri Lalit Kumar Chandel as a Director.
2	Shri Monomoy Mukherjee	29/12/2021	Currently on Board	Nominated: NABARD vide its letter dated December 29, 2021, has nominated Shri Monomoy Mukherjee as its nominee Director on the Board of SIDBI in place of Shri L. R. Ramachandran
3	Shri Krishna Singh Nagnyal	29/10/2021	Currently on Board	Nominated: LIC of India, vide its communication dated October 29, 2021, nominated Shri Krishna Singh Nagnyal on the Board w.e.f



				October 29, 2021 in place of Shri V. Sathya Kumar
4	Shri Amit Tandon	08/08/2021	Currently on Board	Co-opted: The Board at its 211 th meeting held on August 7, 2021 co-opted Shri Amit Tandon as a Director for a period of three years from August 8, 2021.
5	Shri B. Sankar	29/06/2021	Currently on Board	Nominated: State Bank of India, vide its communication dated June 7, 2021, nominated Shri Sankar on the Board w.e.f June 29, 2021 in place of Shri G K Kansal.
6	Shri Sudatta Mandal	03/05/2021	Currently on Board	Appointed: Government of India, vide its notification dated April 23, 2021, appointed Shri Sudatta Mandal as Deputy Managing Director.
7	Shri Sivasubramanian Ramann	19/04/2021	Currently on Board	Appointed: Government of India, vide its notification dated April 7, 2021, appointed Shri Sivasubramanian Ramann as Chairman and Managing Director.
8	Shri V. Satya Venkata Rao	05/06/2020	Currently on Board	Appointed: Government of India, vide its notification dated May 28, 2020, appointed Shri V. Satya Venkata Rao as Deputy Managing Director.
9	Shri Devendra Kumar Singh	05/06/2020	Currently on Board	Nominated: Government of India, vide its notification dated June 5, 2020, nominated Shri Devendra Kumar Singh as a Director.
10	Smt. Nupur Garg	04/02/2019	Currently on Board	Co-opted: The Board at its 200 th meeting held on February 04, 2019 co-opted Smt. Nupur Garg as a Director for a period of 3 years from the date of approval. Further, the Board at its 213 th meeting held on February 2, 2022 has co-opted her for a further period of three years.
11	Shri G. Gopalakrishna	11/08/2018	Currently on Board	Co-opted: The Board at its 197 th meeting held on August 11, 2018 co-opted S/Shri G. Gopalakrishna and Ashish Gupta as Directors for a period of 3 years from the date of approval. Further, the Board at its 211 th meeting held on August 7, 2021 has co-opted them for a further period of three years.
12	Shri Ashish Gupta	11/08/2018	Currently on Board	

Director Ceased as on May 22, 2022				
13	Shri Pankaj Jain	01/01/2016	31/03/2022	Consequent upon Government of India nominating Shri Lalit Kumar Chandel on the Board in place of Shri Pankaj Jain, he ceased to be a member of the Board.
14	Shri L.R. Ramachandran	23/6/2020	28/12/2021	Consequent upon NABARD nominating Shri Monomoy Mukherjee on the Board in place of Shri L.R. Ramachandran, he ceased to be a member of the Board.
15	Shri V. Sathya Kumar	16/07/2019	28/10/2021	Consequent upon LIC nominating Shri Krishna Singh Nagnyal on the Board in place of Shri Sathya Kumar, he ceased to be a member of the Board.
16	Shri G K Kansal	29/6/2018	28/06/2021	Consequent upon SBI nominating Shri B. Sankar on the Board in place of Shri Kansal, he ceased to be a member of the Board.
17	Shri Manoj Mittal	22/01/2016	21/01/2021	Completed tenure of DMD as per Gol notification dated January 22, 2016.
18	Shri Mohammad Mustafa	28/08/2017	27/08/2020	Completed tenure of CMD as per Gol notification dated August 4, 2017.
19	Shri S.K. Bansal	28/02/2019	22/06/2020	Consequent upon NABARD nominating Shri L. R. Ramachandran on the Board in place of Shri S.K. Bansal, he ceased to be a member of the Board.
20	Shri Ram Mohan Mishra	01/01/2018	04/06/2020	Consequent upon Government of India nominating Shri Devendra Kumar Singh on the Board in place of Shri Ram Mohan Mishra, he ceased to be a member of the Board.
21	Shri Ajay Kumar Kapur	22/01/2016	31/10/2019	Retired: Ceased to be a Director w.e.f. November 1, 2019 on superannuation.
22	Shri Hariharan	21/10/2014	15/07/2019	Retired: Consequent upon LIC nominating Shri V. Sathya Kumar on the Board in place of Shri S. Hariharan.

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

Name	Address	Auditor since
M/s BORKAR & MUZUMDAR	21/168, Anand Nagar Om CHS, Anand Nagar Lane, Vakola, Santa Cruz East, Mumbai - 400 055	October 2020



b. Details of change in auditor since last three years

Name	Address	Date of Appointment	Remarks
M/s. Chhajed & Doshi Chartered Accountants	101, Hubtown Solaris, Near East West Flyover, N.S.Phadke Marg, Andheri (East), Mumbai 400069 Office +91 22 1037878/800/801/803 Fax +91 22 61037879 E-mail : info@cndindia.com www.cndindia.com	July 11, 2017	Appointment of SA as per the provisions of SIDBI Act 2000

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

a. Details of Outstanding Secured Loan Facilities as on March 31, 2022: -

(₹ in crore)

Lender's name/ Name of the Bank	Nature of facility/ instrument	Amount sanctioned	Principal Amount outstanding	Repayment date / schedule	Security, if applicable	Credit rating, if applicable	Asset classification
Punjab National Bank	Loan against Deposit with Overdraft Facility	110.58	0.00	On Demand	Against Long Term Foreign Currency Deposit placed with the Bank	NA	Standard

TRI-PARTY REPO SYSTEM [TREPS]

The Bank borrows under TREPS which is an RBI approved Money Market Instrument backed by gilts as collaterals. The outstanding borrowing under TREPS window as on March 31, 2022 was ₹2570 crore.

b. Details of Outstanding Unsecured Loan Facilities as on March 31, 2022: -

(₹ in crore)

Lender's name/ Name of the Bank	Nature of facility/ instrument	Amount sanctioned	Principal Amount outstanding	Repayment date / schedule	Security, if applicable	Credit rating, if applicable	Asset classification
PNB	WCDL	6500	6100	On Demand	NA	NA	Standard
SBI	WCDL/Daily Light Limit	8500	5540	On Demand	NA	NA	Standard
IDBI Bank Ltd	Line of Credit	1000	250	On Demand	NA	NA	Standard

Axis Bank Ltd	Day Light Limit	700	0.00	On Demand	NA	NA	Standard
Union Bank	WCDL	3000	3000	On Demand	NA	NA	Standard
Central Bank of India	WCDL	2000	2000	On Demand	NA	NA	Standard

c. Details of Outstanding Non-Convertible Securities:

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

Sl. No.	Description	Tenor (Yrs)	Coupon	Amount (₹ crore)	Date of Allotment	Date of Maturity	Date of Put / Call
1	INE556F08JM3	3 years	7.29%	1000	01-Aug 2019	01-Aug-2022	No Put/Call Option
2	INE556F08JN1	3 years	6.99%	1000	08-Aug 2019	08-Aug-2022	No Put/Call Option
3	INE556F08JO9	3 years and 1 month	6.80	950	29-Aug-2019	29-Sep-2022	No Put/Call Option
4	INE556F08JP6	3 year	6.27	620	27-Feb-2020	27-Feb-2023	No Put/Call Option
5	INE556F08JQ4	3 Years	4.90	500	18-Aug-2020	18-Aug-2023	No Put/Call Option
6	INE556F08JR2	3 Years and 1 Day	4.58	250	17-Dec-2020	18-Dec-2023	No Put/Call Option
7	INE556F08JS0	3 Years	5.24	1900	26-Mar-2021	26-Mar-2024	No Put/Call Option
8	INE556F08JT8	3 Years	4.97	550	17-Jun-2021	17-Jun-2024	No Put/Call Option
9	INE556F08JU6	3 Years	5.59	2500	21-Feb-2022	21-Feb-2025	No Put/Call Option
10	INE556F08JV4	3 Years and 1 Day	5.57	2500	02-Mar-2022	03-Mar-2025	No Put/Call Option
11	INE556F08JW2	3 Years and 1 Day	5.40	1525	16-Mar-2022	17-Mar-2025	March 18, 2024
12	INE556F08JX0	3 Years	5.70	1625	28-Mar-2022	28-Mar-2025	No Put/Call Option
13	INE556F08JY8	3 years and 2 days	7.15	2500	29-May-2022	02-06-2025	No Put/Call Option
		Total		17420			

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



Sl. No.	Name	Category	Amount (in ₹ crore)	Holding of debt Securities as a percentage of total debt securities outstanding of the issuer
1	Employees' Provident Fund Organisation	CGV	3230.10	18.54%
2	State Bank of India	NB	2605.00	14.95%
3	Punjab National Bank	NB	1075.00	6.17%
4	Edelweiss Mutual Fund – Bharat Bond	MF	1050.00	6.03%
5	Axis Mutual Fund	MF	755.00	4.33%
6	SBI MF	MF	755.00	4.33%
7	Aditya Birla MF	MF	610.00	3.50%
8	IDFC MF	MF	555.00	3.19%
9	NPS Trust – UTI Retirement Solutions	MF	500.00	2.87%
10	L&T Mutual Fund	MF	425.00	2.44%

e. Details of outstanding Commercial Paper/ Certificate of Deposit as on June 30, 2022:

COMMERCIAL PAPER			
Sl.no.	ISIN	Maturity Date	Outstanding Amount (₹ crore)
1	INE556F14IB6	16-Dec-2022	1000
2	INE556F14ID2	31-Oct-2022	3500
3	INE556F14IE0	27-Feb-23	2550
Total			7050
Certificate of Deposit			
Sl.no.	ISIN	Maturity Date	Outstanding Amount (₹ crore)
1	INE556F16887	10-Jan-23	850
2	INE556F16895	18-Jan-23	1000
3	INE556F16903	31-Jan-23	1000
4	INE556F16911	14-Feb-23	1200
5	INE556F16929	15-Feb-23	1300
6	INE556F16937	22-Feb-23	3300

7	INE556F16945	03-Mar-23	2500
8	INE556F16952	23-Mar-23	2500
9	INE556F16960	30-May-2023	2200
10	INE556F16978	07-Jun-2023	925
Total			16775

- f. Details of the rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on March 31, 2022:

Type of Instrument	Amount Outstanding (in ₹ crore)
Fixed Deposit	8610.51
Deposit from Banks	132268.02
Borrowing from GOI (including Tier I Capital Bonds of ₹1,422.80 crore)	562.07
Borrowing outside India	5088.55

Fixed Deposit – SIDBI has a fixed deposit scheme under which deposits are accepted from public for a period ranging between 12 Months to 60 Months. The total deposit outstanding under this scheme was ₹8610.51 crore as on March 31, 2022.

Deposit from Banks – Comprises funds received from various Banks as advised by RBI against priority sector lending shortfall viz. (a) MSME (Refinance) Fund (b) MSME (Risk Capital) Fund (c) MSME India Aspiration Fund and (d) MSME Venture Capital Fund were established with SIDBI with contribution from the domestic scheduled commercial banks. The outstanding under this Fund as on March 31, 2022, was ₹132268.02 crore.

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

Borrowing outside India - SIDBI has been accessing Lines of Credit from bilateral / multilateral partners basically to ensure the availability of timely and cost effective credit to MSMEs in the country and to meet certain specific credit needs such as micro finance, financing cleaner production technologies in MSMEs, Energy Efficiency financing, etc. SIDBI has availed lines of credit from JICA (Japan), KfW (Germany), IFAD (Rome), World Bank, ADB, AfD (France). The outstanding amounts as on March 31, 2022, are given in the following table:

Agency	Amount Outstanding (₹ crore)
KfW, Germany	560.16
JICA, Japan	1492.77
IFAD, Rome	105.67
World Bank	2829.19
Others	100.76
TOTAL	5088.55

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

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



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

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

2.2.17 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities - *None*

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

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

2.3.20 The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee - *SIDBI has appointed IDBI Trusteeship Services Limited. to act as Trustee for the Bondholders (hereinafter referred to as "The Trustee") and IDBI Trusteeship Services Limited. has given its consent vide letter dated May 04, 2022. However, as bonds are being issued on a private placement basis, a separate undertaking under Regulation 4(4) has not been obtained.*

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

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

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

2.3.24 Undertaking by the Issuer – *Given at Annexure*

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

2.3.26 Directors Declaration – *Given at Annexure*

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

2.3.28 Other details

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



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

c. Default in Payment - In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.

In case of default (including delay) in payment of dividend and/ or redemption of principal on the due dates for NCRPS issued on private placement or public issue, additional dividend of at least @ 2% p.a. over the rate of dividend shall be payable by the issuer for the defaulting period.

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

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

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

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

f. Issue details: As per Information memorandum

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


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




Summary of terms

1. Issue Terms

Security Name	7.15% SIDBI 2025 - Series II of FY 2022-23
Issuer	Small Industries Development Bank of India (SIDBI)
Type / Nature of Instrument	Unsecured, Redeemable, Non-Convertible Debentures, Taxable, Non Priority Sector Bonds
Seniority	The bonds rank as senior debt on par with all the other borrowings of the Bank
Mode of Issue	On Private Placement Basis
Eligible Investors	<p>Only the persons who are specifically addressed through a communication by or on behalf of SIDBI directly are eligible to apply for the Bonds. An application made by any other person will be deemed as an invalid application and rejected. The following categories of investors are eligible to apply for this Issue of Bonds:</p> <ul style="list-style-type: none"> ➤ Scheduled Commercial Banks/ Commercial Bank <ul style="list-style-type: none"> ➤ Urban / Central / State / District / Primary Co-operative Banks ➤ Regional Rural Banks, Land Development Banks ➤ Mutual Fund Houses ➤ Insurance Companies ➤ Public Financial Institutions ➤ Non-Banking Financial Companies ➤ Statutory Corporations, Companies, Body Corporates ➤ Trusts including Port Trusts and Association of Persons which are authorized to Invest in bonds ➤ Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds ➤ Other Government / Non-Government Agencies / Boards /Institutions. ➤ Individuals (excluding Minors & NRIs) to whom this Disclosure Document is specifically addressed ➤ Foreign Institutional Investors (FIIs) as per SEBI / RBI regulations <p>Note: The above list is only illustrative and not exhaustive. Investors should check about their eligibility before making any investment</p>
Listing	<p>In terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Issue will be listed on NSE within 04 days from the date of closure of the issue.</p> <p>Delay in Listing: pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing); and</p> <p>be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.</p>
Rating	<p>"CARE AAA" by CARE Ratings Limited dated July 1, 2022 "ICRA AAA" by ICRA Limited dated July 8, 2022</p>
Issue Size	₹3000 cr-(₹1000 crore with Green Shoe Option upto ₹2000 crore)
Minimum subscription	₹1000 crore

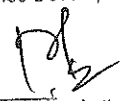

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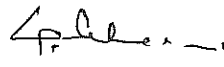


Option to retain oversubscription	Yes
Objects of the issue	To mobilize long term resources for providing financial assistance to MSMEs or for any other purpose as laid down in the SIDBI Act, 1989, as amended from time to time.

Details of utilization proceeds	The proceeds will be utilized for normal business activities of SIDBI and for such other purposes as may be decided by SIDBI's Board and as permissible under the SIDBI Act, 1989.
Coupon Rate	7.15% p.a. [fixed]
Manner of Bidding in the issue	Closed Bidding
Manner of allotment	Uniform Price Allotment
Step Up/ Step Down Coupon Rate	Not Applicable
Coupon Payment Date	Annually as per cash flow schedule
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count basis/ Computation of Interest	Simple Interest for each of the interest periods shall be computed on an actual-by-actual number of days in a year basis on the Face Value of principal outstanding on the Bonds at the respective Coupon rate rounded off to the nearest Rupee.
Interest on Application Money	Not Applicable
Default Interest Rate	In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period. In case of default (including delay) in payment of dividend and/ or redemption of principal on the due dates for NCRPS issued on private placement or public issue, additional dividend of at least @ 2% p.a. over the rate of dividend shall be payable by the issuer for the defaulting period.
Tenor	3 Years & 3 days from the deemed date of allotment
Redemption Date	July 21, 2025
Redemption Amount	At par
Redemption Premium / Discount	At par, on completion of the tenor of the instrument
Issue Price	₹10,00,000 per bond
Discount at which Security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	₹10,00,000 per bond

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Minimum Application	One bond/debenture having face value of ₹10 lakh and in multiples thereof.	
Issue Timing	Issue Opening Date	July 14, 2022
	Issue Closing Date	July 14, 2022
	Pay-in Date	July 18, 2022
	Deemed Date of Allotment	July 18, 2022
Issuance Mode of the Instrument	Only in Demat form	
Settlement Mode of the Instrument	By way of NEFT/RTGS	
Manner of Settlement	Through Clearing corporation	
Settlement Cycle	T+2, where T is the issue date	
Depository's Name	NSDL/CDSL	

Holiday Convention	<p>If the interest payment date falls on a holiday, the payment shall be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.</p> <p>In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (<i>Actual/Actual day count convention</i>) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day (Saturday/Sunday/Holiday) in Mumbai, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the Record Date falls on a day which is not a Business day, the immediately succeeding Business Day will be considered as the Record Date.</p> <p>Payment of interest / redemption shall be made only on the days when the money market is functioning in Mumbai.</p>
Record Date	15 days prior to each Coupon Payment / Redemption Date
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 ₹25,00,000/- on March 09, 2021.

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Conditions for breach of covenants	Default shall have occurred in the performance of any other covenants, conditions or agreements on the part of the issuer under this Deed or the other Transaction Documents or deeds entered into between the Issuer and the Bondholder(s)/Beneficial Owner(s)/Bond Trustee and such default shall have continued for a period of thirty days after notice in writing thereof been given to the Issuer by the Bondholder(s)/Beneficial Owner(s)/Bond Trustee for remedying such default.																																							
Risk Factors pertaining to the Issue	The Bonds are unsecured in nature.																																							
Transaction Documents	Refer Information Memorandum (IM) of the issue.																																							
Events of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)	Refer Information Memorandum (IM) of the issue.																																							
Conditions Precedent/ Subsequent to Disbursement	None																																							
Provisions related to Cross Default Clause	Refer Information Memorandum (IM) of the issue.																																							
Role and Responsibilities of Debenture Trustee	Refer Information Memorandum (IM) of the issue.																																							
Security	Not Applicable (Unsecured)																																							
Governing law and jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals in the State of Maharashtra.																																							
Debenture Trustee	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. T: (91) (22) 40807023. https://idbitrustee.com																																							
Arrangers of the Issue	Through Electronic Bidding Platform (EBP) of NSE <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Sl No.</th> <th>Name of the Arranger</th> <th>Amount (₹ crore)</th> </tr> </thead> <tbody> <tr><td>1</td><td>A K Capital Services Ltd.</td><td>25</td></tr> <tr><td>2</td><td>Axis Bank Limited</td><td>300</td></tr> <tr><td>3</td><td>HDFC Bank Limited</td><td>1075</td></tr> <tr><td>4</td><td>ICICI Bank Limited</td><td>25</td></tr> <tr><td>5</td><td>ICICI Securities Primary Dealership Ltd</td><td>39.40</td></tr> <tr><td>6</td><td>Kotak Mahindra Bank Limited</td><td>25</td></tr> <tr><td>7</td><td>LKP Securities Limited</td><td>15</td></tr> <tr><td>8</td><td>PNB GILTS LTD</td><td>115</td></tr> <tr><td>9</td><td>Tipsons Consultancy Services Pvt. Ltd.</td><td>20</td></tr> <tr><td>10</td><td>Trust Investment Advisors Private Limited</td><td>20</td></tr> <tr><td>11</td><td>Yes Bank Limited</td><td>15</td></tr> <tr><td>12</td><td>BoB Capital Markets Ltd.</td><td>200</td></tr> </tbody> </table>	Sl No.	Name of the Arranger	Amount (₹ crore)	1	A K Capital Services Ltd.	25	2	Axis Bank Limited	300	3	HDFC Bank Limited	1075	4	ICICI Bank Limited	25	5	ICICI Securities Primary Dealership Ltd	39.40	6	Kotak Mahindra Bank Limited	25	7	LKP Securities Limited	15	8	PNB GILTS LTD	115	9	Tipsons Consultancy Services Pvt. Ltd.	20	10	Trust Investment Advisors Private Limited	20	11	Yes Bank Limited	15	12	BoB Capital Markets Ltd.	200
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Small Industries Development Bank of India

[Signature]

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	<u>Names of the Arrangers who arrange minimum amount of ₹15 crore have been mentioned.</u>
Registrar and Transfer Agents	Link Intime India Pvt. Ltd C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083 Tel: 022-49186000 ; Fax: 022-49186060 Website: www.linkintime.co.in
Other Conditions: (i) Multiple bids by an investor: Investors are now permitted to place multiple bids in an issue. (ii) Allotment on yield-time priority basis: Allotment to the bidders shall be done on the basis of "Yield-time priority". Thus, allotment shall be done first on "yield priority" basis, however, where two or more bids are at the same yield, then the allotment shall be done on "time - priority" basis. Further, if two or more bids have the same yield and time, then allotment shall be done on " pro-rata" basis. (iii) Pay-in of funds through clearing corporation of stock exchanges on T+2, where T is the issue day.	

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

2. Material contracts, agreements and documents:

- Board Resolution approving Resource Plan of SIDBI for the year 2022-23.
- Consent from the Trustees to the Bond-holders and Registrars to the Issue referred to in this Disclosure Document to act in their respective capacities.
- Balance Sheet and Profit & Loss Statement of the Bank for the period ended March 31, 2022.
- Letter from CARE Ratings Limited and ICRA Limited giving the credit rating to the Bonds to be issued by SIDBI.
- Tripartite agreement between SIDBI, National Securities Depository Limited and Link Intime India Private Limited.

3. Deemed Date of Allotment

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

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

5. Issue of Bonds in Dematerialised Form

SIDBI shall issue bonds in dematerialized form and has made necessary arrangements with National Securities Depository Limited (NSDL) for the same. Investors shall hold the Bonds in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 and rules made there under, as amended from time to time. Investors should, therefore, mention their Depository Participant's name, DP-ID, Client-ID and Beneficiary Account Number at the appropriate place in the application form. SIDBI shall take necessary steps to credit the Bonds allotted to the Depository Account of the investor with the amount of bonds issued.

SIDBI will make allotment of Bonds to Investors in due course after verification of the application form, the accompanying documents and on realisation of the application money. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.



6. Mode of Transfer/ Transmission of Bonds

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

7. Payment of Interest

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

8. Interest on Application Money

Interest at the applicable Coupon rate (subject to deduction of tax at source as required and at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any

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

9. Tax Deduction at Source (TDS)

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

10. Redemption and Payment on Redemption

The Bonds shall be redeemed at par at the expiry of the tenor. The payment on redemption will be made in the name of the sole holder or first holder (in case of joint holders) whose name appears in the list of beneficial owners provided by the depository on the Record Date. The Bonds shall be taken as discharged on payment of the last redemption amount by the Issuer (or the Trustee) to the beneficiaries as per the beneficiary list and the liability of SIDBI shall stand extinguished. These Bonds will be simultaneously extinguished through appropriate debit corporate action. On such payment being made, the Issuer will inform the Depository concerned and accordingly the account of the Bondholders with the Depository concerned will be adjusted. The Issuer's liability to the Bondholder in respect of all their rights including for payment or



otherwise shall cease and stand extinguished after maturity in all events save and except the Bondholder's right of redemption as stated above if any Bond is not fully redeemed on maturity. On the Issuer dispatching the payment instrument or crediting the designated bank account operated by the Bondholder / Trustee to the Bondholder towards payment of the interest and/or of the redemption amount as specified above, the liability of the Issuer in respect of the Bonds shall stand extinguished.

11. Depository Arrangement

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

12. Effect of Holidays

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

In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (*Actual/Actual day count convention*) for a whole one year period,

irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times.

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

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

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

13. Right to Accept or Reject Applications

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

14. Record Date & Shut Period

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

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

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



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

16. Register of Bondholders

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

17. Amendment of the Terms of the Bonds Issue

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

18. Future Borrowings / Issues

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

19. Basis of Allotment

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

20. Trustee to the Bondholders

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

21. Role, Power and Obligations of Trustees

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

(i) The Trustees may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Bank or by the Trustees and shall not be responsible for any loss occasioned by so acting;

(ii) The Trustees shall not be bound suo-motuo to take any steps to ascertain whether any event of default has happened;

(iii) Save as herein otherwise expressly provided the Trustees shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof;



(iv) The Trustee shall not be responsible for bonafidely acting upon any resolution purporting to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed;

(v) Without prejudice to the rights to indemnity by law given to the Trustee, the Trustee and every Receiver, Attorney, Manager, Agent or other person appointed by them shall, subject to whatever stated above, be entitled to be indemnified in respect of all liabilities and expenses incurred by them or him in the execution or purported execution of the powers and trusts thereof including liabilities and expenses consequent to any bonafide mistake on the part of the Trustee or any such appointee and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way.

22. Power of Trustees to delegate

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

23. Powers of Trustees to employ agents

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

24. Resignation and Removal of Trustees Resignation

The Trustee may at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the trustee, provided that they shall continue to act as Trustee until a successor trustee is appointed by SIDBI. SIDBI shall, upon receipt of notice of resignation issued by the Trustee, take prompt steps to appoint another entity competent to act as trustee for the Bondholders in place of the Trustee (the Successor Trustee). **Removal** SIDBI may for sufficient cause but, after giving not less than two month's notice in writing, remove the Trustee and nominate an entity competent to act as their trustee and complete all necessary formalities to give effect to such appointment.

25. Events of Default:

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



26. Rights of the Bondholder

The rights and privileges available to the Bond Holders are subject to the provisions and modifications of the SIDBI Act, 1989, as amended from time to time and the SIDBI (Issue and Management of Bonds) Regulations 1990, as amended from time to time, the terms of this Disclosure Document and Application Form. Over and above such terms and conditions, the Bond(s) shall also be subject to the other terms and condition as may be incorporated in the Trustee's Agreement/Letters of Allotment/guidelines, notifications and regulations relating to the issue of capital/debt and listing of Securities issued from time to time by the Government of India and /or other authorities and other documents that may be executed in respect of the bond(s). The Bondholder will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Bonds issued under this Offer Document shall not confer upon the Bondholder the right to receive notice, or to attend and vote at the general meetings of shareholders or the holders of Bonds issued under any other series or issued other than under this Disclosure Document or of any other class of securities of the Issuer.

27. Modification of Rights

The Bondholders' rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds (or through the Trustee to the Bondholders) who hold at least three-fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against or bind the Issuer (or any third party security provider) in any manner where such consent or

resolution modifies or varies the terms and conditions of the Bonds which are not acceptable to the Issuer.

28. Succession

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

29. Nomination

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

30. Mode of Making Payment

- a. Successful bidders should do the funds pay-in to the bank account of NSCCL appearing on the EBP.



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

Name of the Bank	Branch Address	IFSC Code	Account number
STATE BANK OF INDIA	BANDRA KURLA COMPLEX, BANDRA EAST, MUMBAI 400051	SBIN0004380	00000010996685010

31. Who can apply?

Only the persons who are specifically addressed through a communication by or on behalf of SIDBI directly are eligible to apply for the Bonds. An application made by any other person will be deemed as an invalid application and rejected. The following categories of investors are eligible to apply for this Issue of Bonds:-

- Scheduled Commercial Banks/ Commercial Bank
- Urban / Central / State / District / Primary Co-operative Banks
- Regional Rural Banks, Land Development Banks
- Mutual Fund Houses
- Insurance Companies
- Public Financial Institutions
- Non Banking Financial Companies

- Statutory Corporations, Companies, Body Corporates
- Trusts including Port Trusts and Association of Persons which are authorized to invest in bonds
- Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds ➤ Other Government / Non-Government Agencies / Boards /Institutions.
- Individuals (excluding Minors & NRIs) to whom this Disclosure Document is specifically addressed
- Foreign Institutional Investors (FIIs) as per SEBI / RBI regulations

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

The application must be accompanied by certified true copies of

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

32. Application, under Power of Attorney/Relevant authority

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

33. Refunds

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



34. Letters of Allotment /Bond Certificates / Refunds

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

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

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

35. Notices

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

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

36. Force Majeure

The Issuer reserves the right to withdraw this Issue prior to the earliest closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment in

the opinion of and at the sole discretion of the Issuer. In such an event the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

37. Undertaking by the Issuer

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

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

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

39. *As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/5029 dated July 12, 2022 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to*



apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

UNDERTAKINGS BY THE ISSUER

<p>'Issuer's Absolute Responsibility'</p>
<p>"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."</p>
<p>'General Risk'</p>
<p>"Investment in debt securities/non-convertible redeemable preference shares involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained in this offer document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities/non-convertible redeemable preference shares or investor's decision to purchase such securities."</p>
<p>"Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given under the section 'General Risks'."</p>
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."</p>
<p>"The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."</p>
<p>The issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules and regulations made thereunder. The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.</p>
<p>The Issuer undertakes that the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document. The Issuer undertakes that whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the SIDBI Act, 1989.</p>



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

- a) the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;
- d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

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

The declaration has been signed as per the delegation of power approved by the Board of Directors of SIDBI at its meeting held on May 12, 2018.

कृते भारतीय लघु उद्योग विकास बैंक
For Small Industries Development Bank of India
Shankar
अधिकृत हस्ताक्षरकर्ता / Authorized Signatory

बैंक हिन्दी में संचालन का स्वागत करता है।

भारतीय लघु उद्योग विकास बैंक

स्वायम्भवन भवन, सी-11, जी ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051. दूरभाष: +91 22 6753 1100 | फैक्स: +91 22 6722 1528

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

Swayambhavan Bhavan, C-11, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Tel : +91 22 6753 1100 | Fax: +91 22 6722 1528

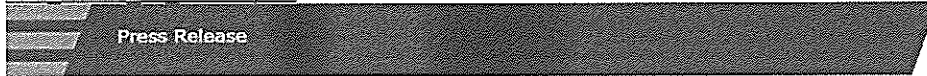
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1 – Care Rating Rationale -

https://www.careratings.com/upload/CompanyFiles/PR/07072022063144_Small_Industries_Development_Bank_of_India.pdf



Small Industries Development Bank of India (Revised)
July 07, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Short-term bank facilities	24,500.00 (Enhanced from 15,000.00)	CARE A1+ (A One Plus)	Reaffirmed
Short-term bank facilities	15,000.00	CARE A1+ (A One Plus)	Revised from CARE AAA; Stable (Triple A; Outlook: Stable)
Total bank facilities	39,500.00 (₹ Thirty-nine thousand five hundred crore only)		
Issuer rating ²	0.00	CARE AAA (Is); Stable [Triple A (Issuer Rating); Outlook: Stable]	Reaffirmed
Total instrument	0.00		
Long-term instruments	170,000.00 (Enhanced from 150,000.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Unsecured redeemable	46,000.00 (Enhanced from 21,861.50)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Total long-term instruments	216,000.00 (₹ Two lakh sixteen thousand crore only)		
Fixed deposit	18,000.00 (Enhanced from 10,000.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Total medium-term instruments	18,000.00 (₹ Eighteen thousand crore only)		
Long-term/Short-term instruments	46,000.00	CARE AAA; Stable/CARE A1+ (Triple A; Outlook: Stable/ A One Plus)	Reaffirmed
Total long-term/Short-term instruments	46,000.00 (₹ Forty-six thousand crore only)		

Details of instruments/facilities in Annexure-1.

²Subject to SIDBI maintaining its borrowing levels within regulatory limits.

Detailed rationale and key rating drivers

The ratings assigned to Small Industries Development Bank of India (SIDBI) continue to factor-in its position as the apex financial institution for the promotion and development of the micro, small and medium enterprises (MSME) sector in India. The ratings also continue to factor-in the Government of India's (GOI's) support in the form of equity contribution 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), guarantee for foreign currency borrowings, and continued access to the MSE Refinance Fund (Rural Infrastructure Development Fund (RIDF)) for strengthening the bank's refinancing capabilities, besides SIDBI's ownership by public sector entities. The ratings continue to consider SIDBI's healthy capitalisation levels, strong resource profile, comfortable liquidity profile and moderate asset quality.

The continuation of SIDBI's position as the apex financial institution for the MSME sector, government support, and ownership by public sector entities, capitalisation levels and asset quality, and profitability are the key rating sensitivities.

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

Rating sensitivities**Positive factors – Factors that could lead to positive rating action/upgrade:** Not Applicable**Negative factors – Factors that could 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 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.

Detailed description of the key rating drivers**Key rating strengths**

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 Reserve Bank of India (RBI) in the form of budgetary support and access to the MSE Refinance Fund from shortfall in priority sector lending (PSL) by the banks. SIDBI 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, nominated Devendra Kumar Singh (IAS; Additional Secretary & Development Commissioner (MSME), Ministry of MSME) and Lalit Kumar Chandel (IAS; Additional Secretary, Development of Financial Services) as the nominee directors.

Healthy capitalisation levels: SIDBI's capital adequacy parameters remained strong, with the bank reporting an overall capital adequacy ratio (CAR) of 24.28% as on March 31, 2022 (P.Y.: 27.49%). During FY22 (refers to the period April 1 to March 31), SIDBI has increased its advance base by 29.46% after a negative growth in FY21, thereby resulting in increase in the risk weighted assets.

The overall gearing increased from 7.75x as on March 31, 2021, to 9.05x as on March 31, 2022, owing to increase in the domestic borrowings to fund growth in advances. The RBI has enhanced the borrowing limit of SIDBI to 14x of its net-owned funds (NOF) until March 31, 2023. SIDBI had received approval from the RBI for an umbrella limit to 300% of NOF up to March 31, 2023. 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).

Strong resource profile: SIDBI has a very strong resource profile, consisting of mainly domestic and some overseas borrowings. Some of the overseas borrowings of SIDBI are guaranteed by the GOI. SIDBI 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 March 31, 2022, domestic market borrowings constituted 36.59% (P.Y.: 23.0%), MSE (RIDF) deposits constituted 61.07% (P.Y.: 73.03%) of the total borrowings, respectively, with overseas borrowings constituting 2.35% (P.Y.: 3.97%).

Moderate profitability and spreads: During FY22, the bank's total income decreased by 18.15% owing to a 14.74% decline in interest income. Interest income declined as much of the growth in advances occurred during the last quarter of FY22. Also, yield on advances plunged to 4.02% in FY22 from 5.49% in FY21 and 6.61% in FY20 on account of fall in the interest rates in the past two years. As yields declined at a faster pace than reduction in cost of funds, the interest spread moved down by 45 bps to 1.02%. Correspondingly, the net interest income (NII) was 18.1% lower at ₹3,012 crore in FY22. 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 RIDF deposits. SIDBI reported a one-time gain of ₹518 crore during Q1FY21 on account of reversal of funds from exchange risk fluctuation fund, as approved by the GoI. Resultantly, the overall profitability declined from 1.32% in FY21 to 0.92% in FY22.

Asset quality: The asset quality of SIDBI has been improving over the years, consequent to the bank entering into settlements with state finance corporations (SFCs) and having stopped taking additional exposures. Currently, majority of its lending portfolio comprises indirect financing, which predominantly constitutes banks and other finance companies, including NBFCs. Indirect finance constituted 92.90% (FY21: 92.57%) of the total portfolio as on March 31, 2022, while direct financing stood at 7.10% (FY21: 7.43%). Of the indirect finance portfolio, refinance to banks (including SFBs) constituted 82.49% (FY21: 84.27%) of the total portfolio of the bank, assistance to NBFCs constituted 8.87% (FY21: 7.23%) of the total portfolio, while assistance to MFIs (including SFCs) constituted 1.54% (FY21: 1.07%). SIDBI's gross NPAs decreased to ₹218 crore in FY22 from ₹282 crore in FY21. This in conjunction with significant growth in the advances improved gross NPA ratio and net NPA ratio to 0.11% (FY21: 0.18%) and 0.07% (FY21: 0.12%), respectively, as on March 31, 2022. The asset quality in the indirect financing segment remains strong; and most of the NPAs are from direct finance. The restructured assets formed 3.01% of the direct advances portfolio, which formed just 0.21% of the overall advances portfolio, as on March 31, 2022.

Liquidity: Strong

The liquidity profile is strong, on account of the longer tenure borrowings vis-à-vis shorter tenure lending. SIDBI's liquidity profile, as on March 31, 2022, exhibits positive cumulative mismatches across all-time buckets. SIDBI had cash and deposits

with banks, of ₹17,918 crore, as on March 31, 2022. It also has strong access to the money market due to its status as an apex financial institution, owned by the GOI and its entities.

Analytical approach

While SIDBI's standalone profile as been considered, the assessment also factors-in the support it receives from GOI.

Applicable criteria

CARE's Policy on Default Recognition

Financial Ratios – Financial Sector

Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings

Criteria for Short Term Instruments

Rating Methodology – Banks

Factoring Linkages Government Support

About the company

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 March 31, 2022, 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%) 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 March 31, 2022, 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). GOI has set up MUDRA through a statutory enactment. MUDRA 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, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (A)
Total operating income	12,090	11,165	9,139
PAT	2,315	2,494	2,012
Interest coverage (times)	1.36	1.48	1.42
Total assets	186,985	191,974	246,564
Net NPA (%)	0.40	0.12	0.07
ROTA (%)	1.35	1.32	0.92

A: Audited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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

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

Complexity level of various instruments rated for this company: Annexure-4

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
Fund-based-Short-term	-	-	-	-	15000.00	CARE A1+
Fund-based-Short-term	-	-	-	-	24500.00	CARE A1+
Issuer rating-Issuer ratings	-	-	-	-	0.00	CARE AAA (Is); Stable
Bonds-Unsecured redeemable	INE556F08JM3	01-Aug-19	7.29%	01-Aug-22	1000.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JN1	08-Aug-19	6.99%	08-Aug-22	1000.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JO9	29-Aug-19	6.80%	29-Sep-22	950.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JP6	27-Feb-20	6.27%	27-Feb-23	620.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JQ4	18-Aug-20	4.90%	18-Aug-23	500.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JR2	17-Dec-20	4.58%	18-Dec-23	250.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JS0	26-Mar-21	5.24%	26-Mar-24	1900.00	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	2500.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JV4	02-Mar-22	5.57%	03-Mar-25	2500.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JW2	16-Mar-22	5.40%	17-Mar-25	1525.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JX0	28-Mar-22	5.70%	28-Mar-25	1625.00	CARE AAA; Stable
Bonds-Unsecured redeemable	INE556F08JY8	31-May-22	7.15%	02-Jun-25	2500.00	CARE AAA; Stable
Bonds-Unsecured redeemable (Proposed)	-	-	-	-	28,580.00	CARE AAA; Stable
MSE/RIDF deposits	-	-	-	-	170000.00	CARE AAA; Stable
LT/ST Instrument-CP / CD	INE556F14IB6	17-Jan-22	4.55%	16-Dec-22	1000.00	CARE AAA; Stable / CARE A1+

LT/ST Instrument-CP / CD	INE556F14ID2	02-May-22	4.65%	31-Oct-22	3500.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F14IE0	25-May-22	6.12%	27-Feb-23	2550.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16887	10-Jan-2022	4.62%	10-Jan-2023	850.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16895	18-Jan-2022	4.62%	18-Jan-2023	1000.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16903	31-Jan-2022	4.65%	31-Jan-2023	1000.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16911	14-Feb-2022	4.92%	14-Feb-2023	1200.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16929	15-Feb-2022	4.92%	15-Feb-2023	1300.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16937	22-Feb-2022	4.76%	22-Feb-2023	3300.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16945	3-Mar-2022	4.80%	3-Mar-2023	2500.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16952	23-Mar-2022	4.85%	23-Mar-2023	2500.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16960	30-May-2022	6.30%	30-May-2023	2200.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD	INE556F16978	7-Jun-2022	6.40%	7-Jun-2023	925.00	CARE AAA; Stable / CARE A1+
LT/ST Instrument-CP / CD (Proposed)	-	-	-	-	22175.00	CARE AAA; Stable / CARE A1+
Fixed deposit	-	-	-	-	18000.00	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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	LT/ST instrument-CP / CD	LT/ST*	46000.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (02-Sep-21)	1)CARE AAA; Stable / CARE A1+ (04-Sep-20)	1)CARE AAA; Stable / CARE A1+ (31-Jan-20) 2)CARE AAA; Stable / CARE A1+ (04-Oct-19)

2	Fixed deposit	LT	18000.00	CARE AAA; Stable	-	1)CARE AAA (FD); Stable (28-Feb-22) 2)CARE AAA (FD); Stable (02-Sep-21)	1)CARE AAA (FD); Stable (04-Sep-20)	1)CARE AAA (FD); Stable (04-Oct-19)
3	MSE/RIDF deposits	LT	170000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (02-Sep-21)	1)CARE AAA; Stable (28-Sep-20) 2)CARE AAA; Stable (04-Sep-20)	1)CARE AAA; Stable (31-Jan-20) 2)CARE AAA; Stable (04-Oct-19)
4	Bonds	LT	-	-	-	-	-	1)Withdrawn (30-Apr-19)
5	Bonds	LT	-	-	-	-	-	1)Withdrawn (31-Jan-20) 2)CARE AAA; Stable (04-Oct-19) 3)CARE AAA; Stable (30-Apr-19)
6	Issuer rating-Issuer ratings	Issuer rat	0.00	CARE AAA (Is); Stable	-	1)CARE AAA (Is); Stable (02-Sep-21)	1)CARE AAA (Is); Stable (04-Sep-20)	1)CARE AAA (Is); Stable (04-Oct-19)
7	Bonds-Unsecured redeemable	LT	46000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Feb-22) 2)CARE AAA; Stable (02-Sep-21)	1)CARE AAA; Stable (04-Sep-20)	1)CARE AAA; Stable (31-Jan-20) 2)CARE AAA; Stable (04-Oct-19) 3)CARE AAA; Stable (30-Apr-19)
8	Fund-based-Short term	ST	15000.00	CARE A1+	-	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)	1)CARE AAA; Stable (04-Oct-19) 2)CARE AAA; Stable (14-Jun-19)
9	Fund-based-Short term	ST	24500.00	CARE A1+	-	1)CARE A1+ (28-Feb-22) 2)CARE A1+ (02-Sep-21)	1)CARE A1+ (28-Sep-20)	-

*Long term/Short term.

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

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
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1	Bonds-Unsecured redeemable	Simple
2	Fixed deposit	Simple
3	Fund-based-Short-term	Simple
4	LT/ST Instrument-CP / CD	Simple
5	MSE/RIDF deposits	Simple

Annexure-5: Bank lender details for this company

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

Note on 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

Media contact

Name: Mradul Mishra
 Phone: +91-22-6754 3596
 E-mail: mradul.mishra@careedge.in

Analyst contact

Name: Archana Mahashur
 Phone: +91-22-6754 3410
 E-mail: Archana.Mahashur@careedge.in

Relationship contact

Name: Saikat Roy
 Phone: +91-98209 98779
 E-mail: saikat.roy@careedge.in

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



2 – ICRA Rating Rationale –



ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/SIDE/08072022/1
Date: July 08, 2022

Mr. Ajay Nath Jha
General Manager – Treasury
Small Industries Development Bank of India
MSME Dev. Centre,
C-15, G-Block,
BKC, Bandra (E)
Mumbai-400 051

Dear Sir,

Re: ICRA rating of the Bonds Programme of Rs. 20,000 crore (outstanding Rs. 4,620 crores; Rs. 8,115 crores yet to be placed; Rs.1,345 Crore to be withdrawn) of Small Industries Development Bank of India.

Please refer to your request dated July 07, 2022 for revisiting the rating letter issued for the captioned programme.

We confirm that the [ICRA]AAA (pronounced as ICRA triple A) rating with a stable outlook assigned to your captioned programme and last communicated to you vide our letter dated March 15, 2022 stands. Instruments with [ICRA]AAA rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the rating of the abovementioned instrument shall remain the same as communicated vide our letters Ref no. ICRA/SIDE/01022022/2 dated February 21, 2022 and ICRA/SIDE/015022022/2 dated March 15, 2022.
The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

KARTHIK SRINIVASAN
Senior Vice President
k.srinivasan@icra.com

Building no. 8, 4th Floor, Tower A
InS Cyber City, Phase I
Gurgaon – 122002, Haryana
Registered Office: B-732, Blockman House, 3rd, Saket, Karakoram Road, New Delhi 110003, Tel: +91 11 2337340-42

Tel: +91 11 23373400
Eid: DM@icra.com

Website: www.icra.in
Email: info@icraltd.com
reg@icra.com

RATING

RESEARCH

INFORMATION



ICRA

Encl.

Annexure1: Instrument wise Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated	Current Rating and Outlook
					(Rs. crore)	
INE556F08JK7	Long-term bonds	Apr-26-2019	7.95%	Apr-26-2022	1,365.00	[ICRA]AAA(Stable); to be withdrawn
INE556F08JP6	Long-term bonds	Feb-27-2020	6.27%	Feb-27-2023	620.00	[ICRA]AAA(Stable)
INE556F08JQ4	Long-term bonds	Aug-18-2020	4.90%	Aug-18-2023	500.00	[ICRA]AAA(Stable)
INE556F08JR2	Long-term bonds	Dec-17-2020	4.58%	Dec-18-2023	250.00	[ICRA]AAA(Stable)
INE556F08JV4	Long-term bonds	Mar-02-2022	5.57%	Mar-03-2025	2,500.00	[ICRA]AAA(Stable)
INE556F08JW2	Long-term bonds	Mar-16-2022	5.40%	Mar-17-2025	1,525.00	[ICRA]AAA(Stable)
INE556F08JX0	Long-term bonds	Mar-28-2022	5.70%	Mar-28-2025	1,625.00	[ICRA]AAA(Stable)
INE556F08JY8	Long-term bonds	May-31-2022	7.15%	June-02-2025	2,500.00	[ICRA]AAA(Stable)
Unplaced	Long-term bonds	Yet to be issued	NA	NA	9,115.00	[ICRA]AAA(Stable)

Source: SIDBI & ICRA Research; Amount in Rs. crores

February 22, 2022

Small Industries Development Bank of India: [ICRA]AAA(Stable) assigned to long-term bonds programme; rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Bonds Programme	-	5,000.00	[ICRA]AAA(Stable); assigned
Long-term Bonds Programme	5,000.00	5,000.00	[ICRA]AAA(Stable); reaffirmed
Total	5,000.00	10,000.00	

*Instrument details are provided in Annexure-1

Rationale

The rating for Small Industries Development Bank of India (SIDBI) factors in its position as an apex financial institution (FI) for the promotion and development of the micro, small and medium enterprise (MSME) sector in India. SIDBI was established under an Act of Parliament in 1990 and is jointly owned by the Government of India (GoI; 15.4%), public sector banks (PSBs), insurance companies and other FIs as on December 31, 2021.

To enhance SIDBI's competitive funding position, the GoI facilitates access to low-cost Micro and Small Enterprises (MSE) funds¹ for onward refinancing to eligible lending institutions at competitive rates. The allocation for FY2022 was Rs. 55,000 crore at a concessional interest rate (Rs. 40,000 crore in FY2021). These MSE funds accounted for 79% of SIDBI's total borrowings as on December 31, 2021 and support the competitive cost of funds for the bank.

As a part of its lending operations and refinancing activities, SIDBI takes exposure to scheduled commercial banks (SCBs), private entities other than banks, and non-banking financial companies (NBFCs). Some of the counterparties, especially in the direct lending segment (~7% of advances as on December 31, 2021), could be weak in addition to a few exposures to NBFCs that turned non-performing this fiscal. However, SIDBI has largely provided for these exposures with net non-performing advances (NPAs) at a low level of 0.11% as on December 31, 2021 (0.12% as on March 31, 2021).

SIDBI's leverage² level stood at 7.70 times as on December 31, 2021 (7.91 times as on March 31, 2021), which is well within the regulatory permissible level. However, with the targeted credit growth, its borrowings are likely to increase but the leverage is expected to be ~8.5-8.7 times by March 31, 2022. SIDBI's capitalisation levels remain comfortable with a CRAR of 28.85% as on December 31, 2021 (27.49% as on March 31, 2021). This, in turn, is supported by lower risk weights of 20% to refinance the exposure of banks. SIDBI has a superior liquidity profile with positive asset-liability gaps in the short as well as long term, which are supported by the matching tenure of the assets (refinancing loan book) and the liabilities (MSE funds). The liquidity profile is further supported by standby lines from banks, including the pending drawdown against the allocated MSE fund.

ICRA expects that SIDBI will continue to benefit from its role of an apex FI for the development of the MSME sector and its strategic importance to the GoI, driving the Stable outlook on the rating. Given the cap on lending margins, the earnings

¹ MSE fund is created out of deposits from SCBs against their shortfall in priority sector lending (PSL) targets

² Leverage = Total debt/Net owned funds; As per Reserve Bank of India (RBI) regulations, All India Financial Institutions (AIFIs) have to maintain a leverage of 10 times, though SIDBI has received approval for a higher leverage of 12 times till July 31, 2022

profile in terms of return on assets/equity (RoA/RoE) is likely to remain modest, though the profitability is likely to be sufficient for achieving the targeted growth without fresh equity capital requirements in the near to medium term.

Key rating drivers and their description

Credit strengths

Strategic importance to GoI for development of MSME sector – SIDBI is an FI established in 1990 under an Act of Parliament (SIDBI Act, 1989). Under the Act, SIDBI has been described as a development bank established as ‘the principal financial institution for the promotion, financing and development of industry in the small-scale sector and to coordinate the functions of the institutions engaged in the promotion, financing or developing of industry in the small-scale sector and for matters connected therewith or incidental thereto’. Currently, State Bank of India (SBI) is the largest shareholder with a stake of 16.73%, followed by the GoI at 15.40% and Life Insurance Corporation of India (LIC) at 14.25%. Other PSBs and institutions owned the remaining share in the entity as on December 31, 2021.

ICRA, however, notes that in the absence of a single dominant shareholder or promoter, future capital raising, if any, will remain dependent on the ability and willingness of all the shareholders to contribute capital in a timely manner. Nevertheless, given the current capitalisation levels, the requirement for capital support remains limited in the near to medium term.

Capitalisation metrics remain strong – With the refinance business dominating SIDBI’s loan book, the RBI has allowed it to borrow up to a leverage of 12 times till July 31, 2022 to meet the increasing refinancing requirements vis-à-vis the leverage of 10 times that FIs like SIDBI are allowed as per RBI regulations. Against this, SIDBI’s leverage stood at 7.70 times as on December 31, 2021 (7.91 times as on March 31, 2021). SIDBI has exposure to various banks, which attracts a low-risk weight of 20%, resulting in strong capital adequacy levels with a CRAR of 28.85% (entirely Tier I) as on December 31, 2021 (27.49% as on March 31, 2021). ICRA notes that even with the change in the method of computing risk-weighted assets (for aligning with Basel III), the capital metrics will remain strong.

Strong asset quality indicators – SIDBI’s overall asset quality is supported by low NPAs in the refinance book, which accounted for 84% of its lending portfolio as on December 31, 2021 (same as on March 31, 2021). SIDBI witnessed slippages from its NBFC exposures in 9M FY2022. However, it has made full provisions on such exposures with gross NPA (GNPA) and NNPA ratios of 0.17% and 0.11%, respectively, as on December 31, 2021 (0.18% and 0.12%, respectively, as on March 31, 2021). The total exposures to NBFCs is estimated at 7.71% of the loan book as on December 31, 2021. Further, given the Covid-19 induced stress in the NBFC sector, the asset quality of some of these exposures could be monitorable, though these are expected to be limited in relation to the entity’s operating profit and net worth.

Funding profile remains strong with MSE fund allocations – SIDBI’s funding profile remains dominated by low-cost MSE fund/Rural Infrastructure Development Fund (RIDF) allocations. It has access to these low-cost funds, which are made available by banks against their shortfalls in meeting their PSL targets. The total borrowings under the MSE fund programme remain dominant at Rs. 1.37 lakh crore and comprised 79% of its overall borrowings as on December 31, 2021. Given its quasi-sovereign status, SIDBI mobilises funds at competitive rates from the capital markets in the form of bonds, commercial papers and certificates of deposit.

MSE/RIDF allocation for FY2022 was higher at Rs. 55,000 crore compared to Rs. 40,000 crore each for FY2021 and FY2020. Out of the total allocation of Rs. 65,000 crore for FY2022, Rs. 55,000 crore was towards MSE refinancing, Rs. 5,000 crore towards refinance in credit-deficient districts and the balance (Rs. 5,000 crore) towards the Cluster Development Fund. Continued allocations under MSE funds will remain important for SIDBI for maintaining a competitive cost of funds as well as the scale of its refinancing business and hence its profitability.

Credit challenges

Growth linked with availability of low-cost MSE fund allocations/RIDF deposits and refinance demand – SIDBI’s growth prospects remain linked to the extent of coverage achieved by SCBs in meeting their PSL targets. As SCBs progressively achieve

higher PSL targets, the overall allocation under MSE funds could drop, thereby affecting the growth prospects in the long term. Moreover, the MSE fund allocation of Rs. 1.83 lakh crore for FY2018-22 has, to a major extent, supported SIDBI's overall growth. Additionally, PSL shortfalls are allocated to other eligible AIFIs like National Housing Bank (NHB) and National Bank for Agriculture and Rural Development (NABARD) apart from Micro Units Development & Refinance Agency Ltd. (MUDRA). The annual allocation to SIDBI will also remain dependent on its relative importance compared to other AIFIs, which could result in lower allocations in case of increased allocation or preference to others.

Further, the demand for refinance from banks could remain muted if a surplus liquidity environment prevails in the banking system. This, in turn, could moderate the loan book growth for SIDBI as seen during the last one year.

Relatively concentrated exposure in indirect lending segment – SIDBI's lending is concentrated towards SCBs (84% as on December 31, 2021) followed by private sector entities excluding banks (8%) and NBFCs (~8%). With a high share of refinancing to banks, the concentration of the top 20 borrowers in the total exposure remained high at ~70% as on March 31, 2021 (~70% as on March 31, 2020). This is, however, mitigated by the limited credit risk in the refinance portfolio of banks.

Modest earnings profile mainly driven by fixed margins in refinance book – Given the cap on lending margins in the refinance business done through MSE funds and the increasing share of MSE refinance, the earnings profile, in terms of the RoA, remains modest. SIDBI's net interest margin (NIM) and gross interest spreads stood at 1.50% and 1.04%, respectively, in 9M FY2022 (1.94% and 1.47%, respectively, in FY2021). The indirect book accounted for 93% of the net advances as on December 31, 2021. Accordingly, the earnings profile moderated with an RoA and RoE of 0.99% and 8.13%, respectively, in 9M FY2022 (1.26% and 11.27%, respectively, in FY2021). Going forward, any regulatory change, resulting in the narrowing of spreads, will remain a key monitorable for SIDBI's profitability.

Liquidity position: Superior

Refinance with a three-year tenure accounts for a significantly large percentage of the total advances and is largely funded through RIDF deposits with a similar maturity. Hence, the overall asset and liability management (ALM) profile remains well matched to a large extent. As a result, SIDBI had positive asset-liability gaps in the short as well as the long term as on December 31, 2021. It had undrawn bank lines of ~Rs. 9,900 crore and RIDF allocations to the tune of ~Rs. 11,000 crore as on December 31, 2021, which can be called on short notice and can be drawn to meet any shortfall/funding gaps in future.

Rating sensitivities

Positive factors – Not applicable

Negative factors – ICRA could assign a Negative outlook or downgrade the rating in case of a dilution in SIDBI's strategic role and importance to the GoI.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Rating Methodology for Banks Impact of Parent or Group Support on Issuer's Credit Rating
Parent/Group Support	ICRA expects SIDBI to remain important to the GoI for supporting the growth of the MSME sector in India and expects the GoI to provide financial support, including MSE fund allocation and capital, if required
Consolidation/Standalone	For arriving at the rating, ICRA has considered the standalone financials of SIDBI. However, in line with its limited consolidation approach, ICRA has factored in the capital requirement of SIDBI's subsidiaries. In ICRA's view, the subsidiaries will remain self-sufficient in meeting their capital requirements in the near to medium term

About the company

Small Industries Development Bank of India (SIDBI) is an FI, constituted under an Act of Parliament (SIDBI Act, 1989), for the promotion and development of the MSME sector in India.

SIDBI is jointly owned by SBI (largest shareholder with a stake of 16.73% as on December 31, 2021), the GoI (15.40%), LIC (14.25%) and other PSBs (the balance). ICRA notes that the GoI directly controls the operations of all the shareholders of SIDBI, which indirectly gives it total access over SIDBI's operations.

SIDBI's board of directors consists of –

- The Chairman & Managing Director appointed by the Central Government (for a term of 3 years)
- Two whole-time directors appointed by the Central Government
- Two directors who shall be officials of the Central Government
- Three directors to be nominated in the prescribed manner by the development bank, the PSBs, General Insurance Corporation of India (GIC), LIC and other institutions owned or controlled by the Central Government
- Three directors, including one from the officials of the state financial corporations, nominated by the Central Government from among persons with special knowledge of or professional experience in science, technology, economics, industry, banking, industrial cooperatives, law, industrial finance, investment, accountancy, marketing or any other matter
- Such number of directors, not exceeding four, elected in the prescribed manner by shareholders other than the development bank, the PSBs, GIC, LIC and other institutions owned or controlled by the Central Government

Key financial indicators (standalone)

	FY2020	FY2021	9M FY2022 [^]
Net interest income	3,299	3,679	2,089
Profit after tax	2,315	2,398	1,381
Net advances	1,65,422	1,56,233	1,65,715
Total assets (Rs. lakh crore)	1.88	1.92	2.03
% NIM/ATA	1.92%	1.94%	1.50%
% RoA	1.35%	1.26%	0.99%
% RoE	12.18%	11.27%	8.13%
% Tier I	26.62%	27.49%	28.85%
% CRAR	26.62%	27.49%	28.85%
% Gross NPA	0.63%	0.18%	0.17%
% Net NPA	0.40%	0.12%	0.11%
% PCR (excl write-offs)	36.6%	34.5%	34.9%

Source: SIDBI & ICRA Research; Amount in Rs. crore

All ratios as per ICRA's calculations

[^]Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Name of Instrument	Current Rating (FY2022)				Chronology of Rating History for the Past 3 Years			
		Type	Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022		FY2021	FY2020	FY2019
					Feb-22-2022	Jan-10-2022	Jan-13-2021	Dec-31-2019	Dec-17-2018
1	Long-term Bonds Programme	Long Term	5,000.00	-	[ICRA]AAA (Stable)	-	-	-	-
2	Long-term Bonds Programme	Long Term	5,000.00	2,735.00*	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)

Source: ICRA Research

*Balance yet to be placed – bonds of Rs. 2,265.00 crore as on Feb 18, 2022

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Bonds	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the Instruments credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INES56F08JK7	Long-term bonds	Apr-26-2019	7.95%	Apr-26-2022	1,365.00	[ICRA]AAA(Stable)
INES56F08JP6	Long-term bonds	Feb-27-2020	6.27%	Feb-27-2023	620.00	[ICRA]AAA(Stable)
INES56F08JQ4	Long-term bonds	Aug-18-2020	4.90%	Aug-18-2023	500.00	[ICRA]AAA(Stable)
INES56F08JR2	Long-term bonds	Dec-17-2020	4.58%	Dec-18-2023	250.00	[ICRA]AAA(Stable)
Unplaced	Long-term bonds	Unutilised	NA	NA	7,265.00	[ICRA]AAA(Stable)

Source: SIDBI

Annexure-2: List of entities considered for consolidated analysis

S. No.	Name of the Entity	Ownership	Consolidation Approach
1.	MUDRA Limited	100.0%	Limited Consolidation
2.	SIDBI Venture Capital Ltd (SVCL)	100.0%	Limited Consolidation
3.	SIDBI Trustee Company Ltd	100.0%	Limited Consolidation

Source: SIDBI and ICRA Research



Consent Letter from the Debenture Trustee

IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GO1131154

Ref No. 43620/ITS1/C1/22-23/DTB/90

Date: 04th May, 2022

To,

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

SWAYALAMBAN BHAVAN, Plot No. C-11, C Block,

Bandra - Kurla Complex, Bandra (East), Mumbai - 400051

Tel (022) 67531100 Fax (022) 26505790

Kind Attn: Mr. K S Rawat

Dear Madam,

Master Consent to act Debenture Trustee for Issue of Listed Unsecured Debentures on Private Placement for financial year ended 2022-23 aggregating to Rs 41,000 crores by SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (the "Issuer")

This has reference to our discussion, regarding appointment of IDBI Trusteeship Services Ltd. (ITSL) as Debenture Trustee for Issue of Listed Unsecured Debentures on Private Placement for financial year ended 2022-23 aggregating to Rs 41,000 crores. In this connection, we confirm our acceptance to act as Debenture Trustee for the same pursuant to appointment letter given to us dated 02nd May 2022 having reference number 74968/Bonds/DT, subject to the Company agreeing the conditions set out below:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI/HQ/DOHS/P/CIR/2021/613 dated Dec 17, 2021 or Revised Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper, the Companies Act, 2013 and



Regd. Office : Asian Building, Ground Floor, 17, R. Karamb Marg, Ballard Estate, Mumbai - 400 001.
Tel. : 022-4080 7000 • Fax : 022-6621 1776 • Email : itsl@idbitrustee.com • response@it@idbitrustee.com
Website : www.idbitrustee.com

other applicable provisions as amended from time to time and agrees to furnish to Trustees such information in terms of the same on regular basis.

5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorised Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FII)

6. The Issuer Company confirms that all necessary disclosures have been made in the Information Memorandum/Disclosure document including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum/Disclosure document. Each prospective investor should make its own independent assessment of the merit of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstances. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

7. The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures/Bonds.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For SIDBI Trusteeship Services Limited



(Authorized Signatory)

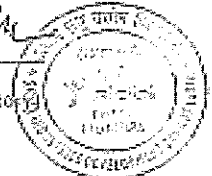


We accept the above terms

For Small and Industrial Bank of India
(SIDBI)



(Authorized Signatory)





Board Resolution for Borrowing – FY 2022-23



SIDBI B.No.7/2022-23

Resource Plan for FY23

The Board at its 214th Meeting held on May 17, 2022 after detailed deliberation, passed the following resolutions:



*RESOLVED that the Resource Plan for FY2023, as contained in the Memorandum SIDBI B.No.7/2022-23 dated May 11, 2022, for raising a sum of ₹1,91,000 crore through various instruments, including private placement of unsecured bonds, be and is hereby approved. This, however, excludes short term resources raised and repaid during the year.

FURTHER RESOLVED that CMD/DMD, be and are hereby authorized to approve need based additional borrowings upto 20% of the Resource Gap of ₹1,91,000 crore for FY 2023 as may be necessary through various instruments including private placement of unsecured bonds.

FURTHER RESOLVED that ALCO, be and is hereby authorized to approve any variation in the proposed resource mix including borrowing through private placement of unsecured bonds, by way of inter se adjustments across instruments and currency within the overall approved Resource Plan, depending upon market conditions / emergent requirements.

FURTHER RESOLVED that, raising upto 25% of the incremental resources raised during FY 2023 during the first few months of FY 2024, pending approval of regular Annual Business Plan and Resource Plan for FY 2024, for meeting the business / debt servicing requirements in the intervening period, through various instruments, including private placement of unsecured bonds, be and is hereby approved."



कृते भारतीय लघु उद्योग विकास बैंक For Small Industries Development Bank of India   प्राधिकृत हस्ताक्षरकर्ता / Authorized Signatory
--

एक दिवसी में एकवार या स्वयं चयन से।

भारतीय लघु उद्योग विकास बैंक

स्वयंसेवा भवन, एडम्स - 3, लेन-2, फ्लॉ-10, जो कार्ड, बांद्रा कृता कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051. दूरभाष: +91 22 67531100 | फैक्स: +91 22 67221526

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

Swasthamban Bhawan, Adams 3, Lane 2, G-11, G-Block, Bandra Krua Complex, Bandra (E), Mumbai - 400251. Tel: +91 22 6753 1100 | Fax: +91 22 6722 1526

Toll Free No.: 1800 22 6753 | रेल की नं.: 1800 22 6753

www.sidbi.in | www.udyammitra.in

☑ sidbi@sidbi.in ☑ SIDBI@Official ☑ sidbi@social ☑ SIDBI(Small Industries Development Bank of India) ☑ SIDBI Official



Illustration regarding Cash Flows

7.15% SIDBI 2025-Series II of FY 2022-23

Face Value (per security)	₹10,00,000
Bid open / close Date	July 14, 2022
Deemed Date of Allotment / Pay-in Date	July 18, 2022
Redemption Date	July 21, 2025
Coupon Rate	7.15% p.a.
Manner of Bidding in the issue	Closed Bidding
Manner of allotment in the issue	Uniform Price Allotment
Frequency of the Interest Payment with specified dates (If put/call option exercised)	Not Applicable
Frequency of the Interest Payment with specified dates (If put/call option not exercised / Not Applicable)	First on July 18, 2023; Second on July 18, 2024; and Third and Final on July 21, 2025
Day Count Convention	Actual / Actual
Put/Call Option Date	Not Applicable

Illustrative Cash Flow					
Cash Flows	Annual coupon payment Date	Day	No of Days	Adjusted Coupon Payment Date	Amt (in ₹)
1 st Coupon	18-July-23	Tuesday	365.00	-	71,500
2 nd Coupon	18-July-24	Thursday	366.00	-	71,500
3 rd Coupon payment with principal repayment	21-July-25	Monday	368.00	-	10,72,088
Total			1099		12,15,088

**Term Sheet for Private Placement of Unsecured, Redeemable,
Non-Convertible Debentures of Face Value ₹10 lakh each aggregating ₹1000
crore with Greenshoe Option up to ₹ 2000 Crore**



SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

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

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

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

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

Tel (022) 67531100 Fax (022) 26505790

Website: www.sidbi.in

email: rmd_mho@sidbi.in & treasury_frontoffice@sidbi.in

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

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



INFORMATION RELATING TO THE TERMS OF OFFER OR PURCHASE

Security Name	7.15% SIDBI 2025-Series II of FY 2022-23
Issuer	Small Industries Development Bank of India (SIDBI)
Type / Nature of Instrument	Unsecured, Redeemable, Non-Convertible Debentures, Taxable, Non Priority Sector Bonds
Seniority	The bonds rank as senior debt on par with all the other borrowings of the Bank.
Mode of Issue	On Private Placement Basis
Eligible Investors	<p>Only the persons who are specifically addressed through a communication by or on behalf of SIDBI directly are eligible to apply for the Bonds. An application made by any other person will be deemed as an invalid application and rejected. The following categories of investors are eligible to apply for this Issue of Bonds:</p> <ul style="list-style-type: none"> ➤ Scheduled Commercial Banks/ Commercial Bank ➤ Urban / Central / State / District / Primary Co-operative Banks ➤ Regional Rural Banks, Land Development Banks ➤ Mutual Fund Houses ➤ Insurance Companies ➤ Public Financial Institutions ➤ Non-Banking Financial Companies ➤ Statutory Corporations, Companies, Body Corporates ➤ Trusts including Port Trusts and Association of Persons which are authorized to Invest in bonds ➤ Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds ➤ Other Government / Non-Government Agencies / Boards /Institutions. ➤ Individuals (excluding Minors & NRIs) to whom this Disclosure Document is specifically addressed ➤ Foreign Institutional Investors (FIIs) as per SEBI / RBI regulations <p>Note: The above list is only illustrative and not exhaustive. Investors should check about their eligibility before making any investment</p>
Listing	<p>In terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Issue will be listed on NSE within 04 days from the date of closure of the issue.</p> <p>pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing); and</p>



	be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.
Rating	"CARE AAA" by CARE Ratings Limited dated July 1, 2022 "ICRA AAA" by ICRA Limited dated July 8, 2022
Issue Size	₹3000 cr (₹1000 crore with Green Shoe Option upto ₹2000 crore)
Option to retain oversubscription	Yes
Objects of the issue	To mobilize long term resources for providing financial assistance to MSMEs or for any other purpose as laid down in the SIDBI Act, 1989, as amended from time to time.
Details of utilization proceeds	The proceeds will be utilized for normal business activities of SIDBI and for such other purposes as may be decided by SIDBI's Board and as permissible under the SIDBI Act, 1989.
Coupon Rate	7.15% p.a. [fixed]
Manner of Bidding in the issue	Closed Bidding
Manner of allotment	Uniform Price Allotment
Step Up/ Step Down Coupon Rate	Not Applicable
Coupon Payment Date	Annually as per cash flow schedule
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count basis/ Computation of Interest	Simple Interest for each of the interest periods shall be computed on an actual-by-actual number of days in a year basis on the Face Value of principal outstanding on the Bonds at the respective Coupon rate rounded off to the nearest Rupee.
Interest on Application Money	Not Applicable
Default Interest Rate	In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period. In case of default (including delay) in payment of dividend and/ or redemption of principal on the due dates for NCRPS issued on private placement or public issue, additional dividend of at least @ 2% p.a. over the rate of dividend shall be payable by the issuer for the defaulting period
Tenor	3 Years & 3 days from the deemed date of allotment
Redemption Date	July 21, 2025
Redemption Amount	At par
Redemption Premium / Discount	At par, on completion of the tenor of the instrument
Face Value	₹10,00,000 per bond
Issue Price	₹10,00,000 per bond
Discount at which Security is issued and	Not Applicable



the effective yield as a result of such discount		
Put Option Date	Not Applicable	
Put Option Price	Not Applicable	
Call Option Date	Not Applicable	
Call Option Price	Not Applicable	
Put Notification Time	Not Applicable	
Call Notification Time	Not Applicable	
Face Value	₹10,00,000 per bond	
Minimum Application	One bond/debenture having face value of ₹10 lakh and in multiples thereof.	
Issue Timing	Issue Opening Date	July 14, 2022
	Issue Closing Date	July 14, 2022
	Pay-in Date	July 18, 2022
	Deemed Date of Allotment	July 18, 2022
Issuance Mode of the Instrument	Only in Demat form	
Settlement Mode of the Instrument	By way of NEFT/RTGS	
Manner of Settlement	Through Clearing corporation	
Settlement Cycle	T+2, where T is the issue date	
Depository's Name	NSDL/CDSL	
Holiday Convention	<p>If the interest payment date falls on a holiday, the payment shall be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.</p> <p>In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (<i>Actual/Actual day count convention</i>) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day (Saturday/Sunday/Holiday) in Mumbai, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business</p>	



	<p>Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the Record Date falls on a day which is not a Business day, the immediately succeeding Business Day will be considered as the Record Date.</p> <p>Payment of interest / redemption shall be made only on the days when the money market is functioning in Mumbai.</p>
Record Date	15 days prior to each Coupon Payment / Redemption Date
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 ₹25,00,000/- on March 09, 2021.
Conditions for breach of covenants	Default shall have occurred in the performance of any other covenants, conditions or agreements on the part of the issuer under this Deed or the other Transaction Documents or deeds entered into between the Issuer and the Bondholder(s)/Beneficial Owner(s)/Bond Trustee and such default shall have continued for a period of thirty days after notice in writing thereof been given to the Issuer by the Bondholder(s)/Beneficial Owner(s)/Bond Trustee for remedying such default.
Risk Factors pertaining to the Issue	The Bonds are unsecured in nature.
Events of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)	Refer Information Memorandum (IM) of the issue.
Security	Not Applicable (Unsecured)
Governing law and jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals in the State of Maharashtra.
Debenture Trustee	<p>IDBI Trusteeship Services Limited</p> <p>Asian Building, Ground Floor,</p> <p>17, R. Kamani Marg, Ballard Estate,</p> <p>Mumbai – 400 001.</p> <p>T: (91) (22) 40807023.</p> <p>https://idbitrustee.com</p>
Arrangers of the Issue	Through Electronic Bidding Platform (EBP)



SI No.	Name of the Arranger	Amount (₹ crore)
1	A K Capital Services Ltd.	25
2	Axis Bank Limited	300
3	HDFC Bank Limited	1075
4	ICICI Bank Limited	25
5	ICICI Securities Primary Dealership Ltd	39.40
6	Kotak Mahindra Bank Limited	25
7	LKP Securities Limited	15
8	PNB GILTS LTD	115
9	Tipsons Consultancy Services Pvt. Ltd.	20
10	Trust Investment Advisors Private Limited	20
11	Yes Bank Limited	15
12	BoB Capital Markets Ltd.	200

Names of the Arrangers who arranged minimum amount of ₹15 crore have been mentioned.

Registrar and Transfer Agents
 Link Intime India Pvt. Ltd
 C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083
 Tel: 022-49186000 ; Fax: 022-49186060
 Website: www.linkintime.co.in

Other Conditions:

(i) Multiple bids by an investor: Investors are now permitted to place multiple bids in an issue.

(ii) Allotment on yield-time priority basis: Allotment to the bidders shall be done on the basis of "Yield-time priority". Thus, allotment shall be done first on "yield priority" basis, however, where two or more bids are at the same yield, then the allotment shall be done on "time - priority" basis. Further, if two or more bids have the same yield and time, then allotment shall be done on " pro-rata" basis.

(iii) Pay-in of funds through clearing corporation of stock exchanges on T+2, where T is the issue day.

SIDBI reserves the right to change schedule of the issue including early closure/ cancellation without prior consent of investors or arrangers. SIDBI also reserves the



right to alter the lot size and/ or reject the application if any of the above terms and conditions is not fulfilled. SIDBI will not pay any interest on the amount so refunded.

7.15% SIDBI 2025-Series II of FY 2022-23

Face Value (per security)	₹10,00,000
Bid open / close Date	July 14, 2022
Deemed Date of Allotment / Pay-in Date	July 18, 2022
Redemption Date	July 21, 2025
Coupon Rate	7.15% p.a.
Manner of Bidding in the issue	Closed Bidding
Manner of allotment in the issue	Uniform Price Allotment
Frequency of the Interest Payment with specified dates	First on July 18, 2023; Second on July 18, 2024; and Third and Final on July 21, 2025
Day Count Convention	Actual / Actual
Put/Call Option Date	Not Applicable

Illustrative Cash Flow					
Cash Flows	Annual coupon payment Date	Day	No of Days	Adjusted Coupon Payment Date	Amt (in ₹)
1st Coupon	18-July-23	Tuesday	365.00	-	71,500
2nd Coupon	18-July-24	Thursday	366.00	-	71,500
3rd Coupon payment with principal repayment	21-July-25	Monday	368.00	-	10,72,088
Total			1099		12,15,088

