

Private & Confidential – Not for Circulation

**Term Sheet for Private Placement of Unsecured, Redeemable,
Non-Convertible Debentures of Face Value ₹10 lakh each aggregating ₹500
crore with Greenshoe Option upto ₹ 250 Crore**



SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

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

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

Mumbai Office: MSME Development Centre, Plot No. C-11, G Block,

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

Tel (022) 67531100 Fax (022) 26505790

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treasury_frontoffice@sidbi.in

CREDIT RATING: "CARE AAA" by CARE. 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.

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		8.18 % SIDBI 2021-Series III of FY 2018-19
		Further issuances can be made under the same ISIN.
Issuer		Small Industries Development Bank of India (SIDBI)
Type of Instrument		Unsecured, Redeemable, Non-Convertible Debentures
Nature of Instrument		Unsecured
Seniority		The bonds rank as senior debt on par with all the other borrowings of the Bank (other than Tier 1 Capital Bonds issued to GoI which are subordinated debt).
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		The Issue will be listed on Wholesale Debt Market



	segment of the National Stock Exchange within 15 days from the Deemed Date of Allotment. As per RBI circular No. 89 dated March 1, 2012 and SEBI circular SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015, SEBI registered FIs/sub-accounts of FIs can invest in primary issues of Non-Convertible Debentures (NCDs)/ bonds only if listing of such bonds / NCDs is committed to be done within 15 days of such investment. In case the issue is not listed within 15 days from the deemed date of allotment, SIDBI would immediately redeem / buyback the said securities from the FIs/sub-accounts of FIs.	
Rating	"CARE AAA" by CARE	
Issue Size	₹500 crore with Green shoe Option upto ₹250 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	8.18 % p.a. (fixed)	
Step Up/ Step Down Coupon Rate	Not Applicable	
Coupon Payment Date	First on September 27, 2018, Second on September 27, 2019, Third on September 27, 2020 and Final on September 27, 2021.	
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 in payment of Interest and/or principal redemption on the due dates, additional interest at the minimum rate prescribed by SEBI over the coupon rate will be payable by the Issuer for the defaulting period.	
Tenor	3 years 2 Months and 4 days from the Deemed Date of Allotment.	
Redemption Date	September 27, 2021	
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 the effective yield as a result of such discount		Not Applicable
Put Option Date		September 27, 2019 (1 year 2 months and 4 days from the deemed date of allotment)
Put Option Price		At par
Call Option Date		September 27, 2019 (1 year 2 months and 4 days from the deemed date of allotment)
Call Option Price		At par
Put Notification Time		The notice for exercising PUT option should be submitted on or before 5 pm on September 12, 2019
Call Notification Time		The notice for exercising CALL option should be submitted on or before 5 pm on September 12, 2019
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 20, 2018
	Issue Closing Date	July 20, 2018
	Pay-in Date	July 23, 2018
	Deemed Date of Allotment	July 23, 2018
Issuance Mode of the Instrument		Only in Demat form
Settlement Mode of the Instrument		By way of NEFT/RTGS
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</p>



	<p>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
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	Milestone Trusteeship Services Pvt. Ltd.
Arrangers of the Issue	Thru' Electronic Bidding Platform (EBP)
Registrar and Transfer Agents	<p>Link Intime India Pvt. Ltd</p> <p>C-101, 247 Park, LBS Marg, Vikhroli West</p> <p>Mumbai - 400083</p> <p>Tel: 022-49186000 ; Fax: 022-49186060</p> <p>Website: www.linkintime.co.in</p>

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.



