August 05, 2026

Small Industries Development Bank of India: Rating withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term bonds programme	22,210.0	22,210.0	[ICRA]AAA (Stable); withdrawn	SEBI
Total	**22,210.0**	**22,210.0**		

**Instrument details are provided in Annexure-I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

ICRA has withdrawn the ratings assigned to Small Industries Development Bank of India's long-term bonds programme at the request of the company as the instruments have matured and fully redeemed. The rating is withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: Click here

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Banks and Financial Institutions Policy on Withdrawal of Credit Ratings
Parent/group Support	ICRA expects SIDBI to remain strategically important to the GoI in extending its ambition to support 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 ICRA's consolidation approach, the standalone assessment of the bank factors in the ordinary and extraordinary support that it is expected to extend to its subsidiaries and associates. In ICRA's view, the subsidiaries will remain self-sufficient in meeting their capital requirements in the near to medium term while capital infusion, if any, would be reimbursed by the GoI.

About the company

Small Industries Development Bank of India (SIDBI), initially a subsidiary of erstwhile Industrial Development Bank of India (IDBI), was constituted as an independent entity in 2000. An AIFI, it was constituted under an Act of Parliament (SIDBI Act, 1989) for the promotion and development of the MSME sector in India. The GoI infused capital into SIDBI in FY2016 for onward investment in Micro Units Development & Refinancing Agency Limited (MUDRA). SIDBI is jointly owned by the GoI (largest shareholder with a stake of 27.57% as on March 31, 2026), SBI, LIC and other public sector financial institutions. The GoI's shareholding increased from 20.85% as on December 31, 2025 to 27.57% as on March 31, 2026 following the equity infusion undertaken during FY2026. ICRA notes that the GoI directly controls the operations of all the shareholders of SIDBI, which indirectly gives it total access to the bank's operations.

SIDBI's board of directors consists of –

- The Chairman & Managing Director appointed by the Central Government (for a term of three years)
- Two whole-time directors appointed by the Central Government
- Two directors who are 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 an official of a state financial corporation, 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 (audited)

SIDBI	FY2025	FY2026
Total operating income^	10,006	10,159
Profit after tax	4,811	5,493
Total assets (Rs. lakh crore)	5.68	6.32
Return on average total assets	0.88%	0.92%
Tier I	18.58%	19.04%
CRAR	19.62%	20.07%
Gross NPA	0.04%	0.12%
Net NPA	0.00%	0.00%

Source: SIDBI & ICRA Research; Amount in Rs. crore unless mentioned otherwise; All ratios as per ICRA's calculations
^ Net interest income + non-interest income excluding trading gains

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

S.No	Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
					FY2026		FY2025		FY2024	
		Type	Rated amount (Rs. crore)	Aug 05, 2026	Date	Rating	Date	Rating	Date	Rating
1.	Long-term bonds programme	Long term	22,210.0*	[ICRA]AAA (Stable); withdrawn	Aug 08, 2025	[ICRA]AAA (Stable)	Aug 09, 2024	[ICRA]AAA (Stable)	Aug 11, 2023	[ICRA]AAA (Stable)
2.	Long-term bonds programme	Long term	-	-	Aug 08, 2025	[ICRA]AAA (Stable); withdrawn	Aug 09, 2024	[ICRA]AAA (Stable)	Aug 11, 2023	[ICRA]AAA (Stable)
3.	Long-term bonds programme	Long term	-	-	-	-	Aug 09, 2024	[ICRA]AAA (Stable); withdrawn	Aug 11, 2023	[ICRA]AAA (Stable)

*Source: ICRA Research; *Unplaced amount – Rs. 1,210.00 crore as on July 31, 2026*

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term bonds	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 instrument's 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: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulators#
INE556F08KB4	**Long-term bonds**	Aug-17-2022	7.11%	Feb-27-2026	4,000.00	[ICRA]AAA (Stable); withdrawn	SEBI
INE556F08KC2	**Long-term bonds**	Sep-08-2022	7.23%	Mar-09-2026	4,000.00	[ICRA]AAA (Stable): withdrawn	SEBI
INE556F08KD0	**Long-term bonds**	Oct-14-2022	7.75%	Oct-27-2025	4,000.00	[ICRA]AAA (Stable): withdrawn	SEBI
INE556F08KE8	**Long-term bonds**	Nov-15-2022	7.47%	Nov-25-2025	4,000.00	[ICRA]AAA (Stable): withdrawn	SEBI
INE556F08KF5	**Long-term bonds**	Dec-02-2022	7.54%	Jan-12-2026	5,000.00	[ICRA]AAA (Stable): withdrawn	SEBI
Yet to be placed	**Long-term bonds**	Unutilised	NA	NA	1,210.00	[ICRA]AAA (Stable): withdrawn	SEBI

Source: SIDBI

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Annexure II: List of entities considered for consolidated analysis

Name of the entity	Ownership	Consolidation approach
MUDRA Ltd.	100.0%	Full consolidation
SIDBI Venture Capital Ltd (SVCL)	100.0%	Full consolidation
SIDBI Trustee Company Ltd	100.0%	Full consolidation

Source: SIDBI and ICRA Research

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Anil Gupta
+91 124 4545 314
anilg@icraindia.com

Sachin Sachdeva
+91 124 4545 307
sachin.sachdeva@icraindia.com

Varun Puranlal Dhapade
+91 22 6114 3463
varun.dhapade@icraindia.com

Mayank Mehta
+91 124 4545 884
mayank.mehta@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches