

May 7, 2010

**CARE ASSIGNS 'AAA(FD)' RATING TO FD PROGRAMME OF  
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA  
(FOR ENHANCED AMOUNT)**

CARE has assigned a '**CARE AAA (FD)**' [**Triple A (Fixed Deposit)**] rating to the Fixed Deposit programme of Small Industries Development Bank of India (SIDBI) for an aggregate amount of Rs.3,000 crore (enhanced from Rs.2,000 crore). Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk.

<b>Instrument</b>	<b>Amount (Rs cr)</b>	<b>Rating</b>
Fixed Deposits	3,000 (enhanced from Rs.2,000 crore)	CARE AAA (FD)

**Rating Rationale**

The ratings reflect SIDBI's position as the apex financial institution for the micro, small and medium enterprise (MSME) sector, demonstrated support from Government of India (GoI) in the past, strong capital adequacy, strong resource profile and comfortable liquidity position. SIDBI's ability to maintain asset quality in its direct financing portfolio and minimising losses on account of its significant exposure to financially weak State Finance Corporations (SFCs) remain the key rating sensitivities.

**Company Profile**

SIDBI, set-up under the SIDBI Act, 1989, to act as the apex financial institution for the SSI (small scale industries) sector, provides direct finance to the MSME sector by way of long term loans, working capital facilities, discounting / rediscounting bills of exchange, etc. It also provides refinance to primary lending institutions like banks, SFCs and state industrial development corporations (SIDCs), etc. which in turn lend to units under the MSME sector. SIDBI reported PAT of Rs.479 crore (including one time write back of Rs.236 crore) on total income (gross) of Rs.2,651 crore during FY09 and PAT of Rs.292 crore on total income (net) of Rs.1,866 crore during 9MFY10.

**Analyst Contact**

Name : Milind Gadkari

Tel # 6754 3466

Mobile # 98217 12848

Email: milind.gadkari@careratings.com

*CARE classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

**Mr. Rajesh Mokashi**

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

**Mr. Ankur Sachdeva**

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,  
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

**Website: www.careratings.com**

**OFFICES**

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b>  Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>