

SD/LODR/294/2023-24

October 30,2023

The Manager Listing Department The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	The Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Floor 25, Dalal Street, Mumbai – 400 001
---	---

Re: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Sub: Intimation regarding re-affirmation of Credit Rating and revision of outlook

Dear Sir/Madam,

Pursuant to Regulation 30 of the Listing Regulations, we wish to inform you that CRISIL Ratings Ltd has re-affirmed 'CRISIL AA+' rating to Rs 1,00,000 crore fixed deposit programme of The Federal Bank Limited (Federal Bank) and revised outlook to "Positive" from "stable". The ratings on the short-term fixed deposits and Rs.15000 Crore Certificate of Deposits have been re-affirmed at 'CRISILA1+'.

Please find enclosed the press release issued by CRISIL on October 30,2023.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For The Federal Bank Limited

Samir P Rajdev
Company Secretary

Rating Rationale

October 30, 2023 | Mumbai

The Federal Bank Limited

Rating outlook revised to 'Positive'; Ratings Reaffirmed

Rating Action

Rs.100000 Crore Fixed Deposits	CRISIL AA+/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Short Term Fixed Deposits	CRISIL A1+ (Reaffirmed)
Rs.15000 Crore Certificate of Deposits	CRISIL A1+ (Reaffirmed)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has revised its outlook on the fixed deposits of The Federal Bank Ltd to '**Positive**' from 'Stable' while reaffirming the rating at 'CRISIL AA+'. The rating on the short-term fixed deposits and certificate of deposits has been reaffirmed at 'CRISIL A1+'.

The revision in outlook is driven by expectation of sustained improvement in earnings profile and asset quality on a sequential basis, while capitalisation metrics remain healthy.

Apart from comfortable capitalization of the bank, the overall rating continues to reflect its healthy resource profile and strong brand among non-resident Indians (NRIs). These strengths are partially offset by average, albeit improving, profitability, a relatively modest scale of operations with regional concentration. .

Federal bank's FDs are granular, with ticket size of below Rs 2 crore accounting for 77% of the overall FDs as on September 30, 2023. Also, the FD renewable rates were at around 34%. Please refer to CRISIL's criteria for rating fixed deposit programmes for further details.

The bank's overall advances (standalone) registered a 5-year compound annual growth rate (CAGR) of 14% till fiscal 2023 whereas deposits grew at a 5-year CAGR of 13.8% for the same period. As on September 30, 2023, overall advances stood at Rs 2 lakh crore, which marks a y-o-y growth of 20% whereas deposits on the same date stood at Rs 2.33 lakh crore – higher by 23% on a y-o-y basis. With a market share of 1.1% and 1.3% based on deposit and advance base, respectively as on September 30, 2023, the bank remains a growing mid-sized bank with 32% of its advances and 61% of its deposit base being housed in Kerala.

Asset quality, after the momentary disruption witnessed in the aftermath of Covid-19, has been improving steadily. Gross non-performing assets (GNPAs) improved to 2.35% as on March 31, 2023, from 2.78% as on March 31, 2022. GNPA improved to 2.27% as on September 30, 2023, supported by lower slippages. The bank had 1.2% (Rs 2,341 crore) of its loan book as standard restructured book as on September 30, 2023, of which majority was retail and secured. While majority of the restructured book is well collateralised, its performance as well as overall asset quality will remain monitorable.

In July 2023, the bank raised Rs 3040 crore as capital via Qualified Institutional Payment (QIP). It also raised Rs 959 crore from International Finance Corporation (IFC) via preferential issuance done in the same period. Bolstered by this, the bank's capitalisation metrics have remained comfortable with overall capital adequacy ratio (CAR) of 15.92% as on September 30, 2023.

The bank reported a profit after tax (PAT, consolidated) of Rs 3,165 crore in fiscal 2023 as against Rs 1,970 crore for fiscal 2022. Correspondingly, return on average assets (RoA) increased to 1.28% for the fiscal 2023 from 0.91% in fiscal 2022. For H1 2024, PAT was Rs 1,874 crore (RoA of 1.33%) as against Rs 1,368 crore (RoA of 1.16%) for the corresponding half of the previous fiscal.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of Federal Bank and its subsidiaries and associate concerns on a proportionate basis.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description Strengths:

- **Comfortable capitalisation:** Overall capital adequacy ratio (CAR, under Basel III) was 15.92% as on September 30, 2023 (15.24% as on March 31, 2023) against 16.33% as on March 31, 2022. Networth increased to Rs 26,802 crore from Rs 22,122 crore as on March 31, 2023, Rs 19,256 crore as on March 31, 2022, supported by higher internal accrual, Qualified institutional placement (QIP) of Rs 3,040 crore and Rs 959 crore from the World Bank arm, International Finance Corporation, in July 2023.

Networth coverage of net non-performing assets improved to 20 times as on September 30, 2023 (17 times as on March 31, 2023), from 13 times as on March 31, 2022. Capitalisation is expected to remain comfortable for the proposed scale-up in business over the medium term.

- **Healthy resource profile with strong brand equity in Kerala:** Resource profile is backed by the strong market position of the bank among NRIs, especially in Kerala. Deposits increased 17% on-year to Rs 2,12,989 crore as on March 31, 2023, out of which NRIs accounted for 36%. Over H1 2024, the deposit base further grew by 9.3% to Rs 2,32,833 crore as on September 30, 2023. The bank had a market share of 7% among NRI deposits; and 19.3% in India's inward remittances in fiscal 2023, compared to 20.3% in the previous fiscal. These factors impart stability to the resource base and fee income.

Deposit base is granular with retail deposits accounting for 81% of the total deposits as on September 30, 2023. Furthermore, CASA (current account and savings account) deposits accounted for 31.2% of total deposits (standalone) as on September 30, 2023 (32.7% as on March 31, 2023), as against 36.9% as on March 31, 2022. Cost of deposit inched up to 5.12% in fiscal 2023 (5.52% for the three months ended September 30, 2023) from 4.28% in the previous fiscal. While the current deposit rates have inched up in-line with elevated interest rate environment, cost of deposit is expected to normalise in the medium term.

Weaknesses:

- **Average, albeit improving, profitability:** Profit after tax (PAT) improved to Rs 3,165 crore in fiscal 2023 from Rs 1,970 crore previous fiscal due to lower credits cost, which reduced to Rs 799 crore from Rs 1,305 crore over the same period. Return on assets (RoA) improved to 1.28% in fiscal 2023 from 0.91% in fiscal 2022. For the six months ended September 30, 2023, PAT was Rs 1,874 crore and RoA was 1.34% (annualised). Net Interest margins (NIM) improved to 3.2% in fiscal 2023 from 3% in fiscal 2022. For half year ended September 30, 2023, NIM remained stable at around 3.1%. Credit costs to average total assets declined to 0.32% in fiscal 2023 (0.16% in the six months ended September 30, 2023) from 0.61% in fiscal 2022, in line with steady improvement in asset quality. Gross non-performing assets (GNPAs) improved to 2.35% as on March 31, 2023, and a further to 2.27% as on September 30, 2023, from 2.78% as on March 31, 2022. This was supported by lower slippages and higher recoveries/upgrades. The bank had 1.2% of its loan book as standard restructured book as on September 30, 2023, of which majority was retail and secured. Nevertheless, provision cover for GNPAs was healthy at 70.5% (excluding technical write-offs) as on September 30, 2023.

Going forward, the bank plans to increase focus on its credit card and personal loan portfolio. Improved diversity in loan book should support better net interest margin (NIM). However, ability to sustainably improve net interest margins (NIM) and manage credit cost will be closely monitored.

- **Relatively modest scale of operations with regional concentration:** Although advances and deposits increased at compound annual growth rates (5 year) of 14.4% and 13.7%, respectively, through fiscal 2023, the bank's market share remains relatively modest at 1.28% and 1.14% in terms of advances and deposits, respectively, as on September 30, 2023. Advances grew 21.3% on-year in fiscal 2023, driven by growth in gold loans^[1] (11% of the book), retail loans (32% of the book), and business banking loans (8% of the book), while deposits grew 17.2%. CV/CE and agriculture advances (including MFI) witnessed robust growth although on a small base.

While Federal Bank operates across the country, business continues to have sizeable presence in southern India, with Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana cumulatively accounting for 74% of deposits and 59% of advances, respectively, as on March 31, 2023. Its home state, Kerala, alone accounted for 61% and 32% of deposits and advances, respectively. The concentration risk is mitigated by the relatively better economic performance of this region. NRI deposits (majorly part of deposits in Kerala) are diversified by the location of the NRI customers.

^[1] Gold loan book is spread over the retail and agriculture segments

Liquidity: Strong

Liquidity is supported by a healthy retail deposit base. Average liquidity coverage ratio was 124.8% as on September 30, 2023, against the statutory minimum of 100%. Liquidity also benefits from access to systemic sources of funds such as the liquidity adjustment facility from the RBI and access to the call money market.

ESG Profile

CRISIL Ratings believes that Federal bank's Environment, Social, and Governance (ESG) profile supports its already strong credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator between them. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on environment and other sustainability related factors.

Federal bank has demonstrated an ongoing focus on strengthening various aspects of its ESG profile.

Federal bank' key ESG highlights:

- The bank has stated the target to grow the green financing book to Rs 13,000 crore by 2025 from Rs 3,222 crore as on March 31, 2023. Bank introduced green deposits, which are fixed deposits for 2,222 days at specialized interest rates, funds from which will be deployed to financing renewable energy, green building, smart agriculture and water or waste management projects among others. As of March 31, 2022, these amounted to Rs 265 crore in 3,674 accounts.
- Federal banks' green loans meet the international standards of IFC through a Climate Assessment for Financial Institution (CAFI) tool, which helps assess the Green House Gas (GHG), reduction achieved through financing such proposals for FY23 was 1.8 Million tonnes of CO₂e.
- It targets to increase its in-house solar power generation capacity to 500kW by 2025 from 300kW as on March 31, 2023. The bank targets to build in-house rain-water harvesting capacity to conserve 1 lakh liters of water by 2025.
- The bank targets to reduce coal-related sub project financing to nil by December 2030 from 13% of gross advances as on March 31, 2023.
- Bank had successfully installed rainwater harvesting units with a capacity of 84,000 litres, resulting in an estimated conservation of 2,00,000 litres of water. Furthermore, there are plans to install additional rainwater harvesting units on more premises.
- Women comprised 41% of the total workforce and 24% of bank's branches are headed by women. Two out of 11 board members are female.
- The company has 73% of the board members are independent directors, with split in chairman and executive position, investor grievance redressal mechanism and disclosures are extensive.

There is growing importance of ESG among investors and lenders. Federal Bank's commitment to ESG will play a key role in enhancing stakeholder confidence, given substantial share of foreign investors as well as access to domestic capital markets.

Outlook: Positive

CRISIL Ratings believes Federal Bank will maintain comfortable capitalisation and healthy resource profile. The improvement in its asset quality and earnings profile is also expected to continue.

Rating Sensitivity factors**Upward factors:**

- Improvement in earnings profile with return on assets more than 1.4% on a sustainable basis
- Substantial improvement in asset quality with adequate coverage

Downward factors:

- Deterioration in asset quality, with rising gross NPAs and credit cost crossing 1.0% on a continuous basis
- Significant reduction in profitability

About the Company

Federal Bank is a mid-sized, private sector bank with advances of Rs 2,00,390 crore and deposits of Rs 2,32,833 crore as on September 30, 2023. It has a strong NRI customer base in the Middle East. The bank had 1,389 branches and 1,937 automated teller machines/cash recyclers as on September 30, 2023

In fiscal 2023, PAT was Rs 3,165 crore and total income (net of interest expenses) was Rs 10,273 crore, against Rs 1,970 crore and Rs 8,543 crore, respectively, the previous fiscal.

For the six months ended September 30, 2023, PAT was Rs 1,874 crore and total income (net of interest expenses) was Rs 5,841 crore, against Rs 1,368 crore and Rs 4,752 crore, respectively, in the corresponding period previous fiscal.

Key Financial Indicators

As on / for the period ended March 31	Unit	2023	2022
Total assets	Rs crore	2,68,004	226,241
Total income (net of interest expenses)	Rs crore	10,273	8,543
Reported PAT	Rs crore	3,165	1,970
Gross NPA	%	2.35	2.78
Overall capital adequacy ratio	%	15.24	16.33
Return on assets (calculated)	%	1.28	0.91

As on / for six months ended September 30	Unit	2023	2022
Total assets	Rs crore	296,048	243,335
Total income (net of interest expenses)	Rs crore	5,841	4,752
Reported PAT	Rs crore	1,874	1,368
Gross NPA	%	2.27	2.45
Overall capital adequacy ratio	%	15.92	14.30
Return on assets (annualised)	%	1.33	1.16

Any other information: Not applicable

Note on complexity levels of the rated instrument:

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

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs. Crore)	Complexity Level	Rating assigned with outlook
NA	Certificates of deposits	NA	NA	7-365 days	15,000	Simple	CRISIL A1+
NA	Fixed deposit programme	NA	NA	NA	1,00,000	Simple	CRISIL AA+/Positive
NA	Short-term fixed deposit programme	NA	NA	NA	NA	Simple	CRISIL A1+

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Federal Operations and Services Ltd	Full	Subsidiary
Fedbank Financial Services Ltd	Full	Subsidiary
Ageas Federal Life Insurance Co Ltd (formerly, IDBI Federal Life Insurance Co Ltd)	Proportionate	Associate
Equirus Capital Pvt Ltd	Proportionate	Associate

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Certificate of Deposits	ST	15000.0	CRISIL A1+		--	31-10-22	CRISIL A1+	30-11-21	CRISIL A1+	23-11-20	CRISIL A1+	CRISIL A1+
			--		--	23-09-22	CRISIL A1+		--		--	--
Fixed Deposits	LT	100000.0	CRISIL AA+/Positive		--	31-10-22	CRISIL AA+/Stable		--		--	--
Short Term Fixed Deposits	ST	0.0	CRISIL A1+		--	31-10-22	CRISIL A1+	30-11-21	CRISIL A1+	23-11-20	CRISIL A1+	CRISIL A1+
			--		--	23-09-22	CRISIL A1+		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria

[Rating Criteria for Banks and Financial Institutions](#)

[CRISILs criteria for rating fixed deposit programmes](#)

[CRISILs Criteria for rating short term debt](#)

[CRISILs Criteria for Consolidation](#)

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p>Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com</p> <p>Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com</p> <p>Rutuja Gaikwad Media Relations CRISIL Limited B: +91 22 3342 3000 Rutuja.Gaikwad@ext-crisil.com</p>	<p>Ajit Velonie Senior Director CRISIL Ratings Limited B:+91 22 3342 3000 ajit.velonie@crisil.com</p> <p>Subha Sri Narayanan Director CRISIL Ratings Limited B:+91 22 3342 3000 subhasri.narayanan@crisil.com</p> <p>Bharat Nagda Management Trainee CRISIL Ratings Limited B:+91 22 3342 3000 Bharat.Nagda@crisil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com</p> <p>For Analytical queries: ratingsinvestordesk@crisil.com</p>

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment

and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>