# UTI Mutual Fund

June 02, 2022

## Ratings

| Scheme Name | Scheme Type | Rating[1] | Rating Action |
|---|---|---|---|
| UTI Overnight Fund | Open-Ended Debt Scheme | CARE AAAmfs [Triple A mfs] | Reaffirmed |
| UTI Short Term Income Fund | Open-Ended Liquid Scheme | CARE AAAmfs [Triple A mfs] | Reaffirmed |
| UTI Treasury Advantage Fund | Open-Ended Debt Scheme | CARE AAAmfs [Triple A mfs] | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Detailed rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the credit quality ratings assigned to UTI Overnight Fund, UTI Short Term Income Fund and UTI Treasury Advantage Fund. These funds are managed by UTI Asset Management Company Limited (AMC). Schemes rated 'CARE AAAmfs' are considered to have highest degree of safety regarding timely receipt of payments from the investments that they have made.

CARE Ratings' fund credit quality ratings are opinions on the overall credit quality of the specific debt mutual fund scheme. CARE Ratings' fund credit quality rating is not a recommendation to purchase, sell, or hold a security/fund. It neither comments on the current market price, suitability for a particular investor, nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the fund's ability to meet the payment obligations to the investors.

The fund ratings capture the fund's overall exposure to default risk. CARE Ratings' fund credit quality ratings are based on evaluation of the fund's investment strategy and portfolio credit risk. It also involves evaluation of the credit quality of individual assets as well as the diversification of the portfolio. CARE Ratings uses the concept of credit scores, assigned to individual securities, as per the credit scoring matrix developed by CARE Ratings.

CARE Ratings reviews the rated mutual fund schemes on an ongoing basis to support its published rating opinions. As such, the monthly reports of the fund are examined. While the fund has to maintain the fund credit score within the benchmark fund scores, in a particular month, if the fund credit score breaches the benchmark, CARE Ratings generally provides one month to the asset management company (AMC) to realign the score. The credit scores of the above three schemes have been calculated based on the portfolio outstanding as on April 30, 2022, and are within the benchmarks set by CARE Ratings.

## Analytical approach

Assessment of underlying credit quality of the debt schemes.

## Applicable criteria

[CARE Ratings' fund credit quality rating criteria]

## About the funds

**UTI Overnight Fund:** UTI Overnight Fund was launched by UTI Asset Management Company Limited in November 2003. The primary objective of the scheme is to generate reasonable income, with low risk and high level of liquidity from a portfolio of overnight securities having a maturity of one day. However, there can be no assurance that the investment objective of the scheme will be realised. The fund's assets under management was at ₹7,166 crore as on April 30, 2022.

**UTI Short Term Income Fund:** UTI Short Term Income Fund was launched by UTI Asset Management Company Limited in June 2003. The investment objective of the scheme is to generate reasonable income, with low risk and high level of liquidity from a portfolio of debt and money market instruments. The fund's assets under management was at ₹2,510 crore as on April 30, 2022.

**UTI Treasury Advantage Fund:** UTI Treasury Advantage Fund was launched by UTI Asset Management Company Limited in July 1999. The investment objective of the scheme is to generate reasonable income for its investors consistent with high liquidity by investing in a portfolio of debt and money market instruments. The fund's asset under management was at ₹3,361 crore as on April 30, 2022.

## About the company

UTI Mutual Fund (MF) has been established as a Trust under the Indian Trusts Act, 1882 with State Bank of India, Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India as the sponsors. UTI Asset Management Company Limited, incorporated under the Act, 1956 is the SEBI-registered asset manager to the schemes of UTI MF. UTI MF reported an average AUM of ₹223,842 crore for the quarter January - March 2022.

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE publications

**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 the 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 |
|---|---|---|---|---|---|---|
| UTI Overnight Fund | - | - | - | - | - | CARE AAAmfs [Triple A mfs] |
| UTI Short Term Income Fund | - | - | - | - | - | CARE AAAmfs [Triple A mfs] |
| UTI Treasury Advantage Fund | - | - | - | - | - | CARE AAAmfs [Triple A mfs] |

## Annexure-2: Rating history for the last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | 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. | UTI Overnight Fund | Open-Ended Debt Scheme | - | CARE AAAmfs | - | 1) CARE AAAmfs (10-June-2021) | 1) CARE AAAmfs (23-June-2020) | 1) CARE AAAmfs (04-July-2019) |
| 2. | UTI Short Term Income Fund | Open-Ended Liquid Scheme | - | CARE AAAmfs | - | 1) CARE AAAmfs (10-June-2021) | 1) CARE AAAmfs (23-June-2020) | 1) CARE BBBmfs (28-June-2019)<br>2) CARE BBBmfs (18-Sep-2019)<br>3) CARE AAAmfs (15-Nov-2019) |
| 3. | UTI Treasury Advantage Fund | Open-Ended Debt Scheme | - | CARE AAAmfs | - | 1) CARE AAAmfs (10-June-2021) | 1) CARE AAAmfs (23-June-2020) | 1) CARE BBB+mfs (30-July-19)<br>2) CARE AAAmfs (15-Nov-19) |

## Annexure-3: Detailed explanation of 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 |
|---|---|---|
| 1 | Credit Quality Rating | Simple |

**Note on complexity levels of the rated instrument:** 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: Geeta Chainani
Phone: +91-22-6754 3447
E-mail: geeta.chainani@careedge.in

**Relationship contact**
Name: Saikat Roy
Phone: +91-22-6754 3495
E-mail: saikat.roy@careedge.in

**About CARE Ratings Limited:**
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions, backed by knowledge and assessment provided by the company.
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 had a pivotal role to play in developing bank debt and capital market instruments, including CPs, corporate bonds and debentures, and structured credit.



****For detailed Rationale Report and subscription information, please contact us at www.careedge.in**