

IDBI Asset Management Limited (Revised)

September 07, 2023

Scheme Name	Rating ¹	Rating Action
IDBI Liquid Fund	-	Withdrawn
IDBI Short-Term Bond Fund	-	Withdrawn
IDBI Ultra Short-Term Fund	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has withdrawn the outstanding ratings assigned to IDBI Liquid Fund scheme, IDBI Short-Term Bond Fund Scheme, and IDBI Ultra Short-Term Fund Scheme of IDBI Mutual Fund with immediate effect. The above action has been taken at the request of IDBI Asset Management Limited, as the IDBI Liquid Fund Scheme, IDBI Short-Term Bond Fund Scheme, and IDBI Ultra Short-Term Fund schemes have been merged with LIC Mutual Fund schemes.

Analytical approach

Assessment of the underlying credit quality of the debt schemes.

Applicable criteria

[Rating Methodology – Fund Credit Quality](#)

[Policy on Withdrawal of Ratings](#)

About the funds

IDBI Liquid Fund: IDBI Liquid Fund was launched by IDBI Asset Management Limited in July 2010. It is an open-ended debt scheme with an investment objective to provide investors with a high level of liquidity along with regular income for their investments. The scheme endeavours to achieve this objective through an allocation of the investment corpus in a low-risk portfolio of the money market and debt instruments with a maturity of up to 91 days. However, there can be no assurance that the investment objective of the scheme will be realised. The scheme is a relatively low interest rate risk and moderate credit risk scheme. The fund's assets under management (AUM) stood at ₹502.82 crore as on June 30, 2023.

IDBI Short-Term Bond Fund: IDBI Short-Term Bond Fund was launched by IDBI Asset Management Limited in March 2011. It is an open-ended short-term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between one year to three years. It is a relatively high interest rate risk and relatively low credit risk scheme. The investment objective of the scheme is to provide investors with regular income by investing in debt and money market instruments such that the Macaulay duration of the portfolio is maintained between one year to three years. However, there can be no assurance that the investment objective of the scheme will be realized. The fund's AUM stood at ₹25.60 crore as on June 30, 2023. The scheme had a passive breach with regard to single-issuer limits of 10% (of the net asset value [NAV] in debt instruments) in some exposures, as per the portfolio dated June 30, 2023, on account of the continuous redemptions, and thereby, a decline in the overall AUM of the scheme. However, the exposures are lower than 12% (permissible upper limit of NAV in debt instruments).

IDBI Ultra Short-Term Fund: IDBI Ultra Short-Term Fund was launched by IDBI Asset Management Limited in September 2010. It is an open ended ultra short-term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between three months and six months. It is a relatively high interest rate risk and moderate credit risk scheme. The objective of the scheme is to provide investors with regular income for their investments by investing in debt and money market instruments with a relatively lower interest rate risk such that the Macaulay duration of the portfolio is maintained between three months to six months. However, there can be no assurance that the investment objective of the scheme will be realised. The fund's AUM stood at ₹146.42 crore as on June 30, 2023. The scheme had a passive breach with regard to single issuer limits of 10% (of the NAV in debt instruments) in some exposures, as per portfolio dated June 30, 2023. This has been on account of the continuous redemptions, and thereby, a decline in the overall AUM of the scheme. The scheme is expected to hold the securities until redemption. Despite a single issuer concentration in a few securities, the score continues to remain within CARE Ratings' threshold for the rating band.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd's publications

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Capital Markets	Asset Management Company

IDBI Asset Management Limited, a subsidiary of IDBI Bank Limited, is a public limited company that has been appointed as the asset management company (AMC) of IDBI Mutual Fund by IDBI MF Trustee Company Limited. IDBI Mutual Fund has been constituted as a trust by IDBI Bank Limited (the sponsor) and IDBI MF Trustee Company Limited acts as the trustee. The AMC reported average assets under management (AAUM) at ₹3,694.81 (excluding domestic fund of funds but including fund of funds - overseas) for the quarter ended June 30, 2023.

Status of non-cooperation with previous CRA: Not applicable

Any other information:

Disclosure of interest of the independent/non-executive directors of CARE Ratings: Not applicable

Disclosure of interest of the Managing Director & CEO: 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 the various instruments rated: Annexure-4

Lender details: Annexure-5

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
IDBI Liquid Fund	-	-	-	-	-	Withdrawn
IDBI Short-Term Bond Fund	-	-	-	-	-	Withdrawn
IDBI Ultra Short-Term Fund	-	-	-	-	-	Withdrawn

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 2023-2024	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1.	IDBI Dynamic Bond Fund	Open-Ended Debt Scheme	-	Withdrawn	-	-	1) CARE AAA mfs (May 27, 2022) 2) CARE AAA mfs (February 14, 2023) 3) CARE AAA mfs (March 16, 2023)	1) CARE AAA mfs (May 31, 2021)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
2.	IDBI Gilt Fund	Open-Ended Debt Scheme	-	Withdrawn	-	-	1) CARE AAA mfs (May 27, 2022) 2) CARE AAA mfs (February 14, 2023) 3) CARE AAA mfs (March 16, 2023)	1) CARE AAA mfs (May 31, 2021)
3.	IDBI Liquid Fund	Open-Ended Debt Scheme	-	Withdrawn	-	1) CARE AAA mfs (May 26, 2023) 2) CARE AAA mfs Rating placed on Notice of Withdrawal for 30 days (August 09, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (May 31, 2021)
4.	IDBI Short-term Bond Fund	Open-Ended Short-Term Debt Scheme	-	Withdrawn	-	1) CARE AAA mfs (May 26, 2023) 2) CARE AAA mfs Rating placed on Notice of Withdrawal for 30 days (August 09, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (May 31, 2021)
5.	IDBI Ultra Short-term Fund	Open-Ended Ultra Short-Term Debt Scheme	-	Withdrawn	-	1) CARE AAA mfs (May 26, 2023) 2) CARE AAA mfs Rating placed on Notice of Withdrawal for 30 days (August 09, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (May 31, 2021)

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of Instrument	Complexity Level
1	Credit Quality Rating	Simple

Annexure-5: Lender details: Not applicable

Note on the complexity levels of the rated instruments: 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

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About us:

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