

## UTI Asset Management Company Limited

April 25, 2025

Scheme Name	Scheme Type	Rating <sup>1</sup>	Rating Action
UTI Overnight Fund	Open-ended debt scheme	CARE AAA mfs	Reaffirmed
UTI Short Duration Fund (Erstwhile UTI Short-term Income Fund)	Open-ended short-term debt scheme	CARE AAA mfs	Reaffirmed
UTI Low Duration Fund (Erstwhile UTI Treasury Advantage Fund)	Open-ended low duration debt scheme	CARE AAA mfs	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the credit quality rating (CQR) assigned to UTI Overnight Fund, UTI Short Duration Fund and UTI Low Duration Fund. These funds are managed by UTI Asset Management Company Limited (UTI AMC).

Schemes rated 'CARE AAA mfs' are considered to have the highest degree of safety regarding timely receipt of payments from the investments made.

CARE Ratings fund credit quality rating (CQR) is an opinion on the overall credit quality of a debt mutual fund scheme or debt exchange traded funds (ETFs). CARE Ratings' fund CQR is not a recommendation to purchase, sell, or hold a security/fund. They comment neither on the current market price, suitability for a particular investor, nor on the prospective performance of the fund considering appreciation, volatility of net asset value (NAV), or yield of the fund. Ratings do not address the fund's ability to meet payment obligations to the investors.

Ratings are not an opinion on the fund management practices (including fund structure, expense ratios, and marketing activities), financial performance, and management quality of an asset management company (AMC), and hence do not comment on the business practices. Ratings are also not indicative of compliance and reputation risks, liquidity, market, and sectoral risks.

The rating captures the fund's overall exposure to the default risk based on the credit quality of individual securities in the portfolio. CARE Ratings' fund CQR is based on evaluation of the fund's stated investment strategy and portfolio credit risk. It involves evaluation of credit quality of individual securities and diversification of the portfolio. CARE Ratings uses the concept of credit scores assigned to individual securities, per credit scoring matrix developed by it.

### Rating sensitivities: Factors that could individually or collectively lead to rating actions

#### Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Not applicable

#### Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- CARE Ratings could downgrade ratings of schemes if the credit quality of the underlying securities deteriorates, resulting a breach in the threshold limit set by CARE Ratings for a given rating level.

### Analytical approach

Assessment of underlying credit quality of the debt schemes.

### Detailed description of key rating drivers

The credit score of these rated schemes has been calculated based on portfolio outstanding as on March 31, 2025, and are within the benchmark set by CARE Ratings. CARE Ratings reviews the rating of mutual fund scheme on an on-going basis to support its published rating opinions. The fund's portfolio is reviewed monthly. In addition, detailed annual review of the fund is also undertaken. The fund must maintain credit score within the benchmark fund score associated with a given rating level. If in any particular month, the fund credit score breaches the benchmark, CARE Ratings generally provides a curing period of one month to the AMC to correct the situation and realign the score.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

## Applicable criteria

[Rating Methodology - Fund Credit Quality](#)

## About the funds

### UTI Overnight Fund:

UTI Overnight Fund was launched by UTI AMC in November 2003. It is an open-ended debt scheme investing in overnight securities, with a relatively low-interest rate risk and relatively low credit risk. The objective of the investment 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 scheme's investment objective will be achieved. The scheme does not guarantee/indicate returns. The fund's assets under management (AUM) stood at ₹ 3,038.56 crore as on March 31, 2025.

### UTI Short Duration Fund (Erstwhile UTI Short-term Income Fund):

UTI Short Duration Fund was launched by UTI AMC in June 2003. It is an open-ended short-term debt scheme investing in instruments such that the Macaulay duration of portfolio is between one year and three years, with a relatively high-interest rate risk and moderate credit risk. The investment scheme's objective is to generate reasonable income, with low risk and high level of liquidity from a portfolio of debt and money market instruments. However, there can be no assurance that the scheme's investment objective will be achieved. The scheme does not guarantee / indicate returns. The fund's AUM stood at ₹ 2,565.82 crore as on March 31, 2025.

### UTI Low Duration Fund (Erstwhile UTI Treasury Advantage Fund):

UTI Low Duration Fund was launched by UTI AMC in July 1999. It is an open-ended low-duration debt scheme investing in instruments such that the Macaulay duration of the portfolios is between six months and 12 months, with a moderate interest rate risk and moderate credit risk. The investment objective is to generate reasonable income for its investors consistent with high liquidity by investing in a portfolio of debt and money market instruments. However, there can be no assurance that the scheme's investment objective will be achieved. The scheme does not guarantee / indicate returns. The fund's AUM stood at ₹ 2,734.88 crore as on March 31, 2025.

The scheme had a passive breach regarding single issuer limits of 10% (of NAV in debt instruments) in one exposure per portfolio dated March 31, 2025, and this was rebalanced in the prescribed timelines of SEBI. Despite single issuer concentration in one security, the score continues to remain in CARE Ratings' threshold for the rating band.

**Liquidity:** Not applicable

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Capital markets	Asset management company

UTI AMC was established in 1964 through a bill passed in the Parliament of India. It is the asset manager to schemes of UTI Mutual Fund which is a Securities and Exchange Board of India (SEBI)-registered mutual fund under SEBI Mutual Fund Regulations Act, 1956, sponsored by State Bank of India, Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India as sponsors. It has global partnership with T. Rowe Price International Limited. UTI AMC is managing assets across different businesses including domestic mutual fund, portfolio management services (PMS), international business, retirement solutions and alternate investment assets. The AMC reported average assets under management (AAUM) for schemes of UTI Mutual Fund of ₹ 3,39,749.51 crore (excluding domestic Fund of Funds but including Fund of Funds - Overseas) for the quarter ended March 31, 2025.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

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

**Covenants of rated instruments/facilities:** Not applicable

**Complexity level of instruments rated:** Annexure-3

**Lender details:** Not applicable

**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 and Rating Outlook
UTI Overnight Fund	-	-	-	-	-	CARE AAA mfs
UTI Short Duration Fund (Erstwhile UTI Short-term Income Fund)	-	-	-	-	-	CARE AAA mfs
UTI Low Duration Fund (Erstwhile UTI Treasury Advantage Fund)	-	-	-	-	-	CARE AAA mfs

**Annexure-2: Rating history for 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1.	UTI Overnight Fund	Open-ended debt scheme-LT	-	CARE AAA mfs	-	1) CARE AAA mfs (06-May-2024)	1) CARE AAA mfs (01-June-2023) 2) CARE AAA mfs (03-Nov-2023)	1) CARE AAA mfs (02-June-2022)
2.	UTI Short Duration Fund (Erstwhile UTI Short-term Income Fund)	Open-ended Short-term debt scheme-LT	-	CARE AAA mfs	-	2) CARE AAA mfs (06-May-2024)	1) CARE AAA mfs (01-June-2023) 2) CARE AAA mfs (03-Nov-2023)	1) CARE AAA mfs (02-June-2022)
3.	UTI Low Duration Fund (Erstwhile UTI Treasury Advantage Fund)	Open-ended low duration debt scheme-LT	-	CARE AAA mfs	-	3) CARE AAA mfs (06-May-2024)	1) CARE AAA mfs (01-June-2023) 2) CARE AAA mfs (03-Nov-2023)	1) CARE AAA mfs (02-June-2022)

LT: Long term;

**Annexure-3: Complexity level of instruments rated**

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

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>  <b>Relationship Contact</b>  Pradeep Kumar V Senior Director <b>CARE Ratings Limited</b> Phone: +91-44-2850 1001 E-mail: <a href="mailto:pradeep.kumar@careedge.in">pradeep.kumar@careedge.in</a>	<b>Analytical Contacts</b>  Sanjay Agarwal Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3500 E-mail: <a href="mailto:sanjay.agarwal@careedge.in">sanjay.agarwal@careedge.in</a>  Priyesh Ruparelia Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3539 E-mail: <a href="mailto:Priyesh.ruparelia@careedge.in">Priyesh.ruparelia@careedge.in</a>  Sudam Shrikrushna Shingade Associate Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3453 E-mail: <a href="mailto:sudam.shingade@careedge.in">sudam.shingade@careedge.in</a>
--	--

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. 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 played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.