

Kotak Mahindra Asset Management Company Limited

June 20, 2025

Scheme Name	Scheme Type	Rating ¹	Rating Action
Kotak Liquid Fund	Open-ended Liquid Scheme	CARE AAA mfs	Reaffirmed
Kotak Low Duration Fund	Open-ended Low Duration Debt Scheme	CARE AAA mfs	Reaffirmed
Kotak Money Market Fund	Open-ended Debt Scheme	CARE A1+mfs	Reaffirmed
Kotak Overnight Fund	Open-ended Debt Scheme	CARE A1+mfs	Reaffirmed
Kotak Savings Fund	Open-ended Ultra Short-Term Debt Scheme	CARE AAA mfs	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the credit quality ratings (CQRs) assigned to Kotak Liquid Fund, Kotak Low Duration Fund, Kotak Money Market Fund, Kotak Overnight Fund and Kotak Savings Fund. These funds are managed by Kotak Mahindra Asset Management Company Limited (Kotak AMC).

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

Schemes rated 'CARE A1+mfs' are considered to have a strong degree of safety regarding receiving timely payments from investments they have made.

CareEdge Ratings' CQR is an opinion on the overall credit quality of a debt mutual fund scheme. CareEdge Ratings' fund CQR is not a recommendation to purchase, sell, or hold a security or fund. They comment neither on the current market price or suitability for a particular investor, nor on the prospective performance of the fund regarding 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 investors. Ratings are not an opinion on fund management practices (including fund structure, expense ratios, and marketing activities), financial performance, and management quality of an AMC, and hence, do not comment on business practices. Ratings also do not indicate compliance and reputation risks, liquidity, market, and sectoral risks.

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

CareEdge Ratings reviews the rated mutual fund scheme on an ongoing basis to support its published rating opinions. As such, the fund's portfolio is reviewed monthly. A detailed annual review of the funds is also additionally undertaken. The fund must maintain fund credit score within the benchmark fund score associated with a given rating level. If in a particular month the fund credit score breaches the benchmark, CareEdge Ratings generally provides a month to the AMC to realign the score.

Credit scores of above schemes have been calculated based on the portfolio outstanding as on April 30, 2025, and are within the benchmark set by CareEdge Ratings.

Rating sensitivities: Factors likely to lead to rating actions

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

Not applicable

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

CareEdge Ratings can downgrade ratings of schemes if credit quality of underlying securities declines, resulting in a breach in the threshold limit set by CareEdge Ratings for a given rating level.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach

Assessment of underlying credit quality of debt schemes.

Detailed description of key rating drivers

Credit score of these rated schemes has been calculated based on portfolio outstanding as on April 30, 2025, and are within the benchmark set by CareEdge Ratings. CareEdge Ratings reviews a mutual fund scheme on an on-going basis to support its published rating opinions. Fund portfolio is reviewed monthly. Detailed annual review of the fund is also undertaken. The fund must maintain the fund credit score within the benchmark fund score associated with a given rating level. If in a particular month, the fund credit score breaches the benchmark, CareEdge Ratings generally provides a curing of one month to the AMC to correct the situation and realign the score.

Applicable criteria**Fund Credit Quality****About the funds****Kotak Liquid Fund**

Kotak Liquid Fund was launched by Kotak AMC on November 04, 2003. It is an open-ended liquid scheme with relatively low-interest rate risk and moderate credit risk. The investment objective of the scheme is to provide reasonable returns and high level of liquidity by investing in debt instruments such as bonds, debentures and Government Securities; and money market instruments such as treasury bills, commercial paper, certificate of deposit, including repos in permitted securities of different maturities, so as to spread the risk across different kinds of issuers in the debt markets. The scheme may invest in call money/term money market in terms of Reserve Bank of India (RBI) guidelines in this respect. Subject to maximum amount permitted periodically, the scheme may invest in offshore securities in the manner allowed by SEBI / RBI, provided such investments are in conformity with the investment objective of the scheme and prevailing guidelines and regulations. To reduce portfolio risk, the scheme may also use derivatives and hedging products periodically, in the manner permitted by SEBI. There is no assurance that the investment objective of the schemes will be realised. The fund's assets under management (AUM) stood at ₹42,664.50 crore as on April 30, 2025.

Kotak Low Duration Fund

Kotak Low Duration Fund was launched by Kotak AMC in March 2008. It is an open-ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between six months and 12 months, with relatively high interest rate risk and moderate credit risk. The primary objective of the scheme is to generate income through investment primarily in low duration debt and money market securities. There is no assurance or guarantee that the investment objective of the scheme will be achieved. The fund's AUM stood at ₹12,555.73 crore as April 30, 2025.

Kotak Money Market Fund

Kotak Money Market Fund was launched by Kotak AMC in July 2003. It is an open-ended debt scheme investing in money market instruments, with relatively low-interest rate risk and moderate credit risk. The investment objective of the scheme is to generate returns by investing in money market instruments which have maturity up to one year. There is no assurance that the investment objective of the scheme will be realised. The fund's AUM stood at ₹27,977.01 crore as on April 30, 2025.

Kotak Overnight Fund

Kotak Overnight Fund was launched by Kotak AMC in January 2019. It is an open-ended debt scheme investing in overnight securities, with relatively low-interest rate risk and relatively low credit risk. The primary objective of the scheme is to generate income through investment in debt and money market instruments having maturity of one business day (including Triparty repo on Government securities or treasury bills, Reverse Repo and equivalent). However, there is no assurance or guarantee that the investment objective of the scheme will be achieved. The fund's AUM stood at ₹6,608.59 crore as on April 30, 2025.

Kotak Savings Fund

Kotak Savings Fund was launched by Kotak AMC in August 2004. 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, with moderate interest rate risk and moderate credit risk. The investment objective of the scheme is to generate returns through investments in debt and money market instruments with a view to reduce the interest rate risk. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved. The fund's AUM stood at ₹14,924.31 crore as on April 30, 2025.

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

Kotak AMC, which is a wholly owned subsidiary of Kotak Mahindra Bank Limited (KMBL), is the Investment Manager to Kotak Mahindra Mutual Fund. In February 2003, Kotak Mahindra Finance Limited. (KMFL), the Kotak Mahindra group's flagship company, received banking license from the RBI, becoming the first non-banking finance company in India to convert into a bank. The Kotak Mahindra Group is one of India's leading financial services conglomerates. Kotak AMC started operations in December 1998 and has ~21 lakh investors across schemes. The mutual fund offers schemes catering to investors with varying risk-return profiles and was the first fund house in the country to launch a dedicated gilt scheme investing only in government securities. The company is present in 82 cities and has 86 branches.

The AMC has reported average AUM (AAUM) for schemes of Kotak Mahindra Mutual Fund of ₹4,82,537.09 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 last three years: Annexure-2

Detailed explanation of 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
Kotak Liquid Fund	-	-	-	-	0.00	CARE AAA mfs
Kotak Low Duration Fund	-	-	-	-	0.00	CARE AAA mfs
Kotak Money Market Fund	-	-	-	-	0.00	CARE A1+ mfs
Kotak Overnight Fund	-	-	-	-	0.00	CARE A1+ mfs
Kotak Savings Fund	-	-	-	-	0.00	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.	Kotak Liquid Fund	Open-ended Liquid Scheme-LT	-	CARE AAA mfs	-	1)CARE AAA mfs (26-June-24)	1)CARE A1+ mfs (22-June-23) 2)CARE A1+mfs (12-Feb-24) 3)CARE AAA mfs (12-Mar-24)	1) CARE A1+mfs (24-June-22)
2.	Kotak Low Duration Fund	Open-ended Low Duration Debt Scheme-LT	-	CARE AAA mfs	-	1)CARE AAA mfs (26-June-24)	1) CARE AAA mfs (22-June-23) 2) CARE AAA mfs (12-Feb-24) 3)CARE AAA mfs (12-Mar-24)	1) CARE AAA mfs (06-Feb-23)
3.	Kotak Money Market Fund	Open-ended Debt Scheme-ST	-	CARE A1+mfs	-	1)CARE A1+ mfs (26-June-24)	1)CARE A1+mfs (22-June-23) 2)CARE A1+mfs (12-Feb-24) 3)CARE A1+ mfs (12-Mar-24)	1) CARE A1+mfs (24-June-22)
4.	Kotak Overnight Fund	Open-ended Debt Scheme-ST	-	CARE A1+mfs	-	1)CARE A1+ mfs (26-June-24)	1)CARE A1+mfs (22-June-23) 2)CARE A1+ mfs (12-Feb-24) 3)CARE A1+ mfs (12-Mar-24)	1) CARE A1+mfs (24-June-22)

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
5.	Kotak Savings Fund	Open-ended Ultra Short-Term Debt Scheme-LT	-	CARE AAA mfs		1)CARE AAA mfs (26-June-24)	1) CARE AAA mfs (22-June-23) 2)CARE AAA mfs (12-Feb-24) 3)CARE AAA mfs (12-Mar-24)	1) CARE AAA mfs (06-Feb-23)

LT: Long term; ST: Short 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: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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