SBI Funds Management Limited

December 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities*	41,000.00	CARE AAA; Stable / CARE A1+	Reaffirmed

**Facility is extended to 20 debt schemes of SBI Mutual Fund (Managed by SBI Funds Management Limited).*
Details of instruments/facilities in Annexure-1.
Details of debt mutual fund schemes considered under the above facility in Annexure-6.

Rationale and key rating drivers

Reaffirmation of rating assigned to bank facilities of SBI Mutual Fund (managed by SBI Funds Management Limited [SFML]) factoring in sponsor strength with strong brand linkages with State Bank of India (SBI), experienced fund management team, high credit quality of underlying assets of schemes and, comfortable security coverage. While these facilities are primarily utilised to meet redemption requirements, which may be volatile, available facilities are sufficiently higher-than-peak redemption behaviour of combined 20 schemes in the last one year, which provides comfort.

Regulation 44 sub regulations 2 of SEBI (Mutual Funds) Regulations 1996 provides that mutual funds shall not borrow, except to meet temporary liquidity needs of mutual funds for purpose of repurchase, redemption of units or payment of interest or dividend to unit-holders provided that the mutual fund shall not borrow over 20% of the net asset of the scheme and duration of such a borrowing shall not exceed six months (source: SEBI website).

Maintenance of high credit quality of underlying assets and comfortable asset coverage against the rated bank facility remain key rating sensitivities.

Rating sensitivities: Factors likely to 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:

- Significant deterioration in the credit quality of assets under management (AUM).
- Decline in asset coverage of the debt schemes.
- Moderation in linkages with the parent

Analytical approach:

Care Ratings Limited's (CareEdge Ratings) has analyzed the underlying credit quality of the debt schemes considered under bank facilities and factored in sponsorship strength and brand linkages with the parent.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that SFML would continue to maintain high credit quality liquid investments in underlying schemes.

Detailed description of key rating drivers:

Key Rating Strengths

High credit quality of underlying assets and coverage

SBI Mutual Fund has a long-term/short-term facility of ₹41,000 crore, primarily utilised to meet the fund's temporary liquidity requirements, which are short term in nature. As on October 31, 2025, schemes covered under the bank facility have highest credit quality rating (CQR) of CARE AAA mfs. Of the combined portfolio of 20 schemes, 85.59% was invested in highly liquid sovereign debt, TREPS and AAA rated papers, 13.95% in AA rated category paper and 0.46% in A rated category papers. Against the facility of ₹41,000 crore, total AUM of debt mutual fund schemes stood at ₹2,58,883 crore as on October 31, 2025. The asset

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

management company (AMC) has not faced redemption pressure in the last one year. CareEdge Ratings' notes that management's stated intent to keep the fund conservative, and withdrawal has not exceeded sanctioned facilities.

Sponsors strength and experienced management
SBI Mutual Fund is managed by SFML, and SBI (rated 'CARE AAA; Stable') is the sole sponsor of SBI Mutual Fund. SBI is the largest bank in India in terms of assets and total business and is systematically important with an asset base of ₹69,87,469 crore as on September 30, 2025. The bank has largest market share in advances and deposits in the Indian banking system. Government of India (GOI) is the major shareholder, holding 55.03% as on September 30, 2025. As on September 30, 2025, the bank has a network of 23,050 domestic branches, 62,500 ATMs, and an international network across 29 countries.

SFML is a joint venture (JV) between SBI and AMUNDI Asset Management (AMUNDI), France, one of the world's leading fund management companies. A shareholder agreement in this regard has been entered on April 13, 2011, between SBI and AMUNDI. SBI currently holds 61.90% stake in SFML and 36.36% stake is held by AMUNDI, through a wholly owned subsidiary, Amundi India Holding.

The board comprises three representative directors from SBI and three representative directors from AMUNDI. In addition to this, there are six independent directors on the board of AMC. Challa Sreenivasulu Setty (Chairman of SBI), Chairman and Associate Director of SFML, has over 36 years experience across all facets of Corporate Credit, Retail, Digital and International banking and banking in developed markets. Nand Kishore, MD & CEO of SFML, has over 34 years of experience. He is associated with the SBI group since 1990 and prior to this role he was the Deputy MD of SBI. Denys De Campigneulles has been deputed from AMUNDI group as Deputy CEO of SFML from March 07, 2020. He has over 35 years of extensive experience in financial services.

Low market risk and liquidity risk
As on October 31, 2025, the average portfolio duration is 2.53 years. Schemes have been invested in high credit quality papers and highly liquid government securities (G-secs), which would help reduce market and liquidity risk. Of the portfolio of 20 schemes, 73.49% of investments are in liquid assets, which includes commercial paper (CP), G-Secs, treasury bills (T-Bills), Repo, treasury bills repurchase (TREPs), certificates of deposit (CDs), Cash, state development loans (SDL), resulting in lower market risk.

Key weakness

Macroeconomic / liquidity events resulting in redemption pressure
A significant deterioration in macroeconomic factors, deterioration in credit quality of underlying assets or major liquidity event in the market could pose risks in the form of increased redemptions and/or a sharp decline in fresh fund inflows. This may affect liquidity of underlying investments that the mutual fund holds, impacting overall liquidity profile.

Liquidity: Strong

As on October 31, 2025, debt mutual fund schemes have invested in debt instruments having high CQR of CARE AAA mfs. Of the combined portfolio of the 20 schemes, 77.38% was invested in highly liquid sovereign debt and AAA rated papers, 8.20% in TREPs, 13.95% in AA rated category paper and 0.46% in A rated category paper.

The liquidity profile is further supported by high credit ratings and inherently liquid nature of securities, underlying the AUM. As on October 31, 2025, 35.94% of the AUM was invested in G-sec, T-bills, Reverse Repo, Treps, Cash and SDL while CDs and CPs constituted 21.20% and 16.35% respectively.

The rated facility is intraday in nature, generally used to meet redemptions and squared off on the same day. In case the facility is not repaid on same day, it can be converted into bank overdraft. The bank has mechanism in place to monitor the liquidity position and has sight of unlevered position and eligible securities available with the custodian, which mitigates credit/ liquidity risk.

Applicable criteria

CARE's Policy on Default Recognition
Factoring Linkages Parent Sub JV Group
Rating Outlook and Credit Watch
Rating Methodology Fund Credit Quality
CARE's Policy on Short term Instruments

About the company and industry

Industry classification

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

SFML is the investment manager of SBI Mutual Fund. SFML was incorporated on February 07, 1992, under the Companies Act, 1956. The company is a JV between SBI and AMUNDI Asset Management (France), one of the world's leading fund management companies. A shareholder agreement in this regard has been entered on April 13, 2011, between SBI and AMUNDI. SBI currently holds 61.90% stake in SFML and 36.36% stake is held by AMUNDI Asset Management through a wholly owned subsidiary, Amundi India Holding and 1.74% stake is held by others. Initially, this 36.36% was held by Societe Generale Asset Management S.A., a subsidiary of Societe Generale S.A, which was transferred to AMUNDI in June 2011. The company has a wholly owned foreign subsidiary, SBI Funds Management (International) Private Limited, which is based in Mauritius and manages off-shore funds.

The AMC reported average assets under management (AAUM) at ₹11,99,533 crore (excluding domestic fund of funds but including fund of funds - overseas) for quarter ended September 30, 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/facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Details of debt mutual fund schemes considered under facility: Annexure-6

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based – LT/STt	-	-	-	-	41,000.00	CARE AAA; Stable / CARE A1+

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	Fund-based –LT/ST	LT/ST	41,000.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (30-Dec-24)	1)CARE AAA; Stable / CARE A1+ (05-Jan-24)	1)CARE AAA; Stable / CARE A1+ (27-Feb-23)

LT/ST: Long term/Short term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Long term / Short Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: Debt Mutual Fund Schemes covered under facility are as follows:

Sr. No.	Scheme	AUM as on October 31, 2025 (₹ crore)
1	SBI Banking & PSU Fund	4,227.55
2	SBI Corporate Bond Fund	24,935.90
3	SBI CPSE Bond Plus SDL Sep 2026 50 50 Index Fund	8,451.17
4	SBI Credit Risk Fund	2,190.00
5	SBI CRISIL IBX Gilt Index-APR-2029 Fund	2,092.12
6	SBI CRISIL IBX Gilt Index-June 2036 Fund	2,702.07
7	SBI CRISIL IBX SDL Index-SEP-2027 Fund	1,007.44
8	SBI Dynamic Bond Fund	4,960.92
9	SBI Floating Rate Debt Fund	794.84
10	SBI Liquid Fund	71,091.78
11	SBI Long Duration Fund	2,380.72
12	SBI Magnum Constant Maturity Fund	1,861.53
13	SBI Magnum Gilt Fund	11,054.78
14	SBI Magnum Income Fund	2,171.28
15	SBI Magnum Low Duration Fund	16,746.15
16	SBI Magnum Medium Duration Fund	6,886.45
17	SBI Magnum Ultra Short Duration Fund	14,505.33
18	SBI Overnight Fund	25,407.36
19	SBI Savings Fund	37,973.57
20	SBI Short Term Debt Fund	17,441.94
	Total	**2,58,882.92**

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.

Contact us

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About us:

Established in 1993, CareEdge 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 Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge 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, CareEdge 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. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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