

Canara Robeco Mutual Fund (Revised)

February 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Short-term bank facilities*	-	-	Reaffirmed at CARE A1+ and Withdrawn

*Facility is extended to 10 debt schemes of Canara Robeco Mutual Fund
Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding rating of 'CARE A1+' (A one Plus) to the short-term bank facilities of Canara Robeco Mutual Fund with immediate effect. This action has been taken at the request of Canara Robeco Mutual Fund and 'No Objection mail' received from the bank that has extended the facilities rated by CareEdge Ratings.

The rating factors in the sponsorship and brand linkages with Canara Bank & ORIX Corporation Europe N. V. (formerly known as Robeco Groep N.V.) and experience of the fund management team. It also factors in the high credit quality of the underlying schemes with low market and liquidity risks.

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 the mutual funds for the purpose of repurchase, redemption of units or payment of interest or dividend to the unit holders provided that the mutual fund shall not borrow more than 20% of the net asset of the scheme and the duration of such a borrowing shall not exceed a period of six months (source: SEBI website).

Analytical approach:

CareEdge Ratings has analysed the underlying credit quality of the debt schemes considered under bank facilities and factored in the sponsorship strength and brand linkages with the parent.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

High credit quality of underlying assets and coverage

Canara Robeco Mutual Fund has a short-term facility of ₹1,000 crore, primarily utilised to meet temporary liquidity requirements of the fund, which are short term in nature. As on December 31, 2025, the schemes covered under the bank facility have the highest credit quality rating (CQR) of CARE AAA mfs. Of the combined portfolio of the 10 schemes, 75.98% was invested in AAA rated papers, 7.90% in highly liquid sovereign debt, 9.13% in TREPs and 6.98% in AA rated category paper. Against the facility of ₹1,000 crore, the total assets under management (AUM) of the debt mutual fund schemes stood at ₹8,401 crore as on December 31, 2025.

Sponsor's strength and experienced management:

Canara Robeco Asset Management Company Limited (CRAMC), the investment managers of Canara Robeco Mutual Fund, completed its IPO in October 2025 through offer for sale of 4.99 crore shares amounting to ₹1,326.13 crore. Canara Bank currently holds 38% stake in CRAMC and 37% stake is held by ORIX Corporation Europe N.V.

Canara Bank is a Bengaluru-based public sector bank established in 1906. Effective from April 01, 2020, another PSB, Syndicate Bank (SB) was amalgamated with Canara Bank. The amalgamated bank is the 4th largest PSB post amalgamation. Government of India is the majority shareholder holding 62.93% stake in the bank followed by LIC of India holding 5.72% as on September 30, 2025. As on September 30, 2025, the Bank had 9,948 branches and 7,405 ATMs.

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

ORIX Corporation Europe N. V. (formerly known as Robeco Groep N.V.) of the Netherlands is a global asset management company.

The Board comprises one representative from Canara Bank and two representatives from ORIX Corporation Europe N. V. (formerly known as Robeco Groep N. V.). In addition to this, there are six independent directors on the board of AMC. Rajnish Narula is currently the Managing Director and Chief Executive Officer, while Santanu Kumar Majumdar is presently the Group Chief Financial Officer of Canara Bank. Kiyoshi Habiro is the CEO of ORIX Corporation UK Limited and ORIX Corporation Europe N.V. and the Executive Officer of ORIX Corporation. Tim Van Hest is the Chief Risk Officer and Member of the Management Board of ORIX Corporation Europe N.V. The fund management team consists of professionals with extensive experience in the investment management industry.

Low market risk and liquidity risk:

As on December 31, 2025, the average portfolio duration is 1.18 years. The schemes have been invested in high credit quality papers and highly liquid Government securities (G-sec), which would help reduce market and liquidity risk. Of the portfolio of 10 schemes, 79.79% of investments are in liquid assets, which includes commercial paper (CP), G-Secs, Treasury Bills (T-Bills), Tri-party Repo (Trep), certificate of deposits (CDs), Cash, state development loan (SDL), resulting in lower market risk.

Key weakness:

Macro-economic / liquidity events resulting in redemption pressure:

A significant deterioration in macroeconomic factors, deterioration in credit quality of the 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 the liquidity of the underlying investments that the mutual fund holds, impacting overall liquidity profile.

Liquidity: Strong

As on December 31, 2025, debt mutual fund schemes have invested in debt instruments having high CQR of CARE AAA mfs. Of the combined portfolio of the 10 schemes, 75.98% was invested in AAA rated papers, 7.90% in highly liquid sovereign debt, 9.13% in TREPs and 6.98% in AA rated category paper.

The rated facility is intraday in nature, generally used to meet redemptions and squared off on the same day. In case facility is not repaid on same day, the same 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

[Policy on default recognition](#)

[CARE's Policy on Short term Instruments](#)

[Factoring Linkages Parent Sub JV Group](#)

[Mutual Fund Credit Quality](#)

[Withdrawal Policy](#)

About the company and industry

Industry classification

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

CRAMC, the investment managers of Canara Robeco Mutual Fund, completed its IPO in October 2025 through offer for sale of 4.99 crore shares amounting to ₹1,326.13 crore. Canara Bank currently holds 38% stake in CRAMC and 37% stake is held by ORIX Corporation Europe N.V. Canara Bank's experience in the Indian market and ORIX Corporation Europe N. V. (formerly known as Robeco Groep N.V.) global experience in asset management.

Canara Robeco Mutual Fund is the second oldest Mutual Fund in India, established in December 1987 as Canbank Mutual Fund. Subsequently, in 2007, Canara Bank partnered with Robeco (now a part of ORIX Corporation, Japan) and the mutual fund was renamed as Canara Robeco Mutual Fund. It offers a range of investment options, including diversified and thematic equity schemes, hybrid, and monthly income funds and a wide range of debt and treasury products.

Canara Robeco AMC manages the assets of Canara Robeco Mutual Fund by virtue of an investment management agreement dated June 16, 1993 (as amended from time to time).

The AMC reported average assets under management (AAUM) at ₹122,254 crore (excluding Fund of Funds – domestic but including Fund of Funds - Overseas) for the quarter ended December 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/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-Short Term	-	-	-	-	0.00	Withdrawn

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-Short Term	ST	-	-	1)CARE A1+ (24-Feb-26)	1)CARE A1+ (27-Nov-24)	1)CARE A1+ (05-Jan-24)	1)CARE A1+ (08-Mar-23)

ST: Short term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-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 the above facility are as follows:

Sr. No.	Scheme	AUM as on December 31, 2025 (₹ crore)
1	Canara Robeco Banking and PSU Debt Fund	196.54
2	Canara Robeco Corporate Bond Fund	111.41
3	Canara Robeco Dynamic Bond Fund	105.27
4	Canara Robeco Gilt Fund	145.45
5	Canara Robeco Income Fund	119.96
6	Canara Robeco Liquid Fund	5,148.57
7	Canara Robeco Overnight Fund	371.04
8	Canara Robeco Savings Fund	1,310.40
9	Canara Robeco Short Duration Fund	434.55
10	Canara Robeco Ultra Short-Term Fund	457.40

Note on complexity levels of rated instruments: CareEdge 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 clarifications.

Contact us

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About us:

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