

SBI Funds Management Limited (Revised)

December 23, 2022

Ratings

Facilities/Instruments	Scheme Type	Rating ¹	Rating Action
SBI Capital Protection Oriented Fund Series- A (Plan 1)	Close-Ended Capital Protection Oriented Fund	-	Withdrawn
SBI Capital Protection Oriented Fund Series- A (Plan 2)		-	Withdrawn
SBI Capital Protection Oriented Fund Series- A (Plan 3)		CARE AAA (SO) [Triple A (Structured Obligation)]	Reaffirmed
SBI Capital Protection Oriented Fund Series- A (Plan 4)		CARE AAA (SO) [Triple A (Structured Obligation)]	Reaffirmed
SBI Capital Protection Oriented Fund Series- A (Plan 5)		CARE AAA (SO) [Triple A (Structured Obligation)]	Reaffirmed
SBI Capital Protection Oriented Fund Series- A (Plan 6)		CARE AAA (SO) [Triple A (Structured Obligation)]	Reaffirmed

Details of instruments/facilities in Annexure-1

**CARE Ratings Limited (CARE Ratings) has withdrawn the rating assigned to SBI Capital Protection Oriented Fund Series- A (Plan 1 and Plan 2) managed by SBI Funds Management Limited with immediate effect, since the scheme has matured and there is no outstanding amount to be paid to the investor under the said scheme as on date.*

Detailed rationale & key rating drivers

CARE Ratings has reaffirmed the rating of 'CARE AAA (SO)' [Triple A (Structured Obligation)] assigned to SBI Capital Protection Oriented Fund Series- A (Plan 3 to Plan 6) and withdrawn the ratings assigned to SBI Capital Protection Oriented Fund Series- A (Plan 1 and Plan 2) of SBI Mutual Fund since the scheme has matured and there is no outstanding amount to be paid to the investor under the said scheme as on date. These funds are managed by SBI Funds Management Limited.

CARE Ratings' capital protection-oriented fund ratings are not recommendations to buy sell or hold a fund or scheme. These ratings do not comment on the volatility of net asset value (NAV) of the scheme, or the level of NAV compared with the face value during the tenure of the scheme any time before maturity. The ratings are valid only for the maturity of the scheme.

The investment objective of the Scheme is to seek capital protection by investing a portion of the portfolio in highest rated debt securities and money market instruments and also to provide capital appreciation by investing the balance in equity and equity-related securities.

The scheme is structured such that the investments in the debt component required for capital protection shall be of such proportion that its value on scheme maturity date less AMC expenses will be greater than or equal to face value of the units subscribed by the investors. The investment in debt security required for capital protection shall be in the form of government securities or securities rated as 'CARE AAA' or equivalent, thereby ensuring highest credit quality.

To assess the debt component of the portfolio, CARE Ratings takes into account the default risk, reinvestment risk and other risks. CARE Ratings then estimates the likelihood of a shortfall in the NAV with respect to the face value of the units of the scheme on maturity. CARE Ratings reviews the rated mutual fund scheme on an ongoing basis to support its published rating opinions.

The rating is based on the structure and 'Representation and Warranties' given by SBI Funds Management Limited that it will manage the portfolio of SBI Capital Protection Oriented Fund – Series A (Plan 3 to Plan 6) such that it meets CARE Ratings' criteria to qualify for the capital protection-oriented fund rating of 'CARE AAA (SO)'.

Analytical approach: CARE Ratings has assessed the underlying portfolio of the schemes which provides adequate maturity value of the debt portion to protect the initial capital collected for these schemes.

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

Applicable Criteria:
[CARE's Methodology for Capital Protection Oriented Schemes](#)
[Policy on Withdrawal of ratings](#)
About the Company

SBI FML, the investment manager of SBI Mutual Fund, is a joint venture between the State Bank of India (SBI), India's largest bank, and Amundi India Holding (AMUNDI), a leading European asset management company. SBI currently holds 63% stake in SBI FMPL and the 37% stake is held by AMUNDI through Amundi India Holding. SBI Mutual Fund also benefits from the brand equity of its sponsors, the SBI and AMUNDI. The AMC reported average assets under management (AAUM) at ₹682,607 crore (excluding domestic Fund of Funds) for the quarter ended September 30, 2022.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating assigned along with Rating Outlook
SBI Capital Protection Oriented Fund Series- A (Plan 1)	-	-	-	-	Withdrawn
SBI Capital Protection Oriented Fund Series- A (Plan 2)	-	-	-	-	Withdrawn
SBI Capital Protection Oriented Fund Series- A (Plan 3)	-	-	-	-	CARE AAA (SO)
SBI Capital Protection Oriented Fund Series- A (Plan 4)	-	-	-	-	CARE AAA (SO)
SBI Capital Protection Oriented Fund Series- A (Plan 5)	-	-	-	-	CARE AAA (SO)
SBI Capital Protection Oriented Fund Series- A (Plan 6)	-	-	-	-	CARE AAA (SO)

Annexure-2: Rating history of last three years

Sr. No	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	SBI Capital Protection Oriented Fund – Series A (1)	Close Ended Capital Protection Oriented Fund	-	-	1) CARE AAA (SO) (15-Apr-22)	1) CARE AAA mfs (SO) (27-Dec-21)	1) CARE AAA mfs (SO) (24-Dec-20)	-
2	SBI Capital Protection Oriented Fund – Series A (2)	Close Ended Capital Protection Oriented Fund	-	-	1) CARE AAA (SO) (15-Apr-22)	1) CARE AAA mfs (SO) (27-Dec-21)	1) CARE AAA mfs (SO) (24-Dec-20)	-

Sr. No	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
3	SBI Capital Protection Oriented Fund – Series A (3)	Close Ended Capital Protection Oriented Fund	-	CARE AAA (SO)	1) CARE AAA (SO) (15-Apr-22)	1) CARE AAA mfs (SO) (27-Dec-21)	1) CARE AAA mfs (SO) (24-Dec-20)	-
4	SBI Capital Protection Oriented Fund – Series A (4)	Close Ended Capital Protection Oriented Fund	-	CARE AAA (SO)	1) CARE AAA (SO) (15-Apr-22)	1) CARE AAA mfs (SO) (27-Dec-21)	1) CARE AAA mfs (SO) (24-Dec-20)	-
5	SBI Capital Protection Oriented Fund – Series A (5)	Close Ended Capital Protection Oriented Fund	-	CARE AAA (SO)	1) CARE AAA (SO) (15-Apr-22)	1) CARE AAA mfs (SO) (27-Dec-21)	1) CARE AAA mfs (SO) (24-Dec-20)	1) CARE AAA mfs (SO) (27-Jun-19)
6	SBI Capital Protection Oriented Fund – Series A (6)	Close Ended Capital Protection Oriented Fund	-	CARE AAA (SO)	1) CARE AAA (SO) (15-Apr-22)	1) CARE AAA mfs (SO) (27-Dec-21)	1) CARE AAA mfs (SO) (24-Dec-20)	1) CARE AAA mfs (SO) (27-Jun-19)

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

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Capital Protection Oriented Fund	Complex

Annexure-5: Bank lender details for this company: Not applicable

Note on complexity levels of the rated instrument: 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.

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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.

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