

IDBI Asset Management Company Limited

May 27, 2022

Ratings

Scheme Name	Scheme Type	Rating ¹	Rating Action
IDBI Dynamic Bond Fund	Open-Ended Debt Scheme	CARE AAAMfs [Triple A mfs]	Reaffirmed
IDBI Gilt Fund	Open-Ended Debt Scheme	CARE AAAMfs [Triple A mfs]	Reaffirmed
IDBI Liquid Fund	Open-Ended Liquid Scheme	CARE AAAMfs [Triple A mfs]	Reaffirmed
IDBI Short Term Bond Fund	Open-Ended Debt Scheme	CARE AAAMfs [Triple A mfs]	Reaffirmed
IDBI Ultra Short Term Fund	Open-Ended Debt Scheme	CARE AAAMfs [Triple A mfs]	Reaffirmed

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the credit quality ratings assigned to IDBI Dynamic Bond Fund, IDBI Gilt Fund, IDBI Liquid Fund, IDBI Short-term Bond Fund, and IDBI Ultra Short Term Fund. These funds are managed by IDBI Asset Management Company Limited.

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

CARE Ratings' fund credit quality ratings are opinions on the overall credit quality of the specific debt mutual fund scheme. CARE Ratings' fund credit quality rating is not a recommendation to purchase, sell, or hold a security/fund. It neither comments on the current market price, suitability for a particular investor, nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the fund's ability to meet the payment obligations to the investors.

The fund ratings capture the fund's overall exposure to default risk. CARE Ratings' fund credit quality ratings are based on evaluation of the fund's investment strategy and portfolio credit risk. It also involves evaluation of the credit quality of individual assets as well as the diversification of the portfolio. CARE Ratings uses the concept of credit scores, assigned to individual securities, as per the credit scoring matrix developed by CARE Ratings.

CARE Ratings reviews the rated mutual fund scheme on an ongoing basis to support its published rating opinions. As such, the monthly reports of the fund are examined. While the fund has to maintain the fund credit score within the benchmark fund scores, in a particular month, if the fund credit score breaches the benchmark, CARE Ratings generally provides one month to the asset management company (AMC) to realign the score. The credit scores of the above five schemes have been calculated based on the portfolio outstanding at the end of April 30, 2022, and are within the benchmarks set by CARE Ratings.

Analytical approach

Assessment of underlying credit quality of the debt schemes.

Applicable criteria

[CARE Ratings' fund credit quality rating criteria](#)

About the funds

IDBI Dynamic Bond Fund:

This fund was launched by IDBI Asset Management Limited in February 2012. The investment objective of the scheme is to generate income while maintaining liquidity through the active management of a portfolio comprising debt and money market instruments. The fund's assets under management (AUM) stood at ₹19 crore as of April 30, 2022.

IDBI Gilt Fund:

It was launched by IDBI Asset Management Limited in December 2012. The investment objective of the scheme is to provide regular income along with opportunities for capital appreciation through investments in a diversified basket of Central Government-dated securities, state government securities, and treasury bills. The fund's AUM stood at ₹17 crore as of April 30, 2022.

IDBI Liquid Fund:

It was launched by IDBI Asset Management Limited in July 2010. The investment objective of the Scheme will be to provide investors with a high level of liquidity along with regular income for their investments. The scheme will endeavour to achieve this objective through an allocation of the investment corpus in a low-risk portfolio of money market and debt instruments with a maturity of up to 91 days. The fund's AUM stood at ₹804 crore as of April 30, 2022.

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

IDBI Short Term Bond Fund:

The objective of the scheme will be to provide investors with a regular income for their investments. The scheme will endeavour to achieve this objective through an allocation of the investment corpus in a diversified portfolio of debt and money market instruments. The fund's AUM stood at ₹33 crore as of April 30, 2022.

IDBI Ultra Short Term Fund:

The objective of the scheme will be to provide investors with a regular income for their investments. The scheme will endeavour to achieve this objective through an allocation of the investment corpus in a diversified portfolio of money market and debt instruments with a relatively lower interest rate risk. The fund's AUM stood at ₹260 crore as of April 30, 2022.

About the company

IDBI Asset Management Limited, a subsidiary of IDBI Bank Limited, is a public limited company that has been appointed as the AMC of the IDBI Mutual Fund by the IDBI MF Trustee Company Limited. IDBI Mutual Fund has been constituted as a trust by IDBI Bank Limited (the Sponsor) and IDBI MF Trustee Company Limited acts as the Trustee. The AMC has reported average assets under management (AAUM) for schemes of IDBI Mutual Fund of ₹4,161 crore for the quarter ended March 31, 2022.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history of the last three years: Please refer Annexure-2

Covenants of rated instruments/facilities: 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	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
IDBI Dynamic Bond Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
IDBI Gilt Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
IDBI Liquid Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
IDBI Short-term Bond Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
IDBI Ultra Short-term Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]

Annexure-2: Rating history of the 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1.	IDBI Dynamic Bond Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (May 31, 2021)	1) CARE AA+ mfs (June 04, 2020)	1) CARE AA+ mfs (January 03, 2020) 2) CARE AA+ mfs (November 06, 2019) 3) CARE AA mfs (July 04, 2019)

2.	IDBI Gilt Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (May 31, 2021)	1) CARE AAA mfs (June 04, 2020)	1) CARE AAA mfs (January 03, 2020) 2) CARE AAA mfs (November 06, 2019) 3) CARE AAA mfs (July 04, 2019)
3.	IDBI Liquid Fund	Open-Ended Liquid Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (May 31, 2021)	1) CARE AAA mfs (June 04, 2020)	1) CARE AAA mfs (January 03, 2020) 2) CARE AAA mfs (November 06, 2019) 3) CARE AAA mfs (July 04, 2019)
4.	IDBI Short-term Bond Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (May 31, 2021)	1) CARE AAA mfs (June 04, 2020)	1) CARE AAA mfs (January 03, 2020) 2) CARE A+ mfs (November 06, 2019) 3) CARE A mfs (August 16, 2019) 4) CARE A mfs (June 28, 2019)
5.	IDBI Ultra Short-term Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (May 31, 2021)	1) CARE AAA mfs (June 04, 2020)	1) CARE AAA mfs (January 03, 2020) 2) CARE AAA mfs (November 06, 2019) 3) CARE A mfs (August 16, 2019) 4) CARE A mfs (June 28, 2019)

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

Not applicable

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

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

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.

Contact us

Media contact

Name: Mradul Mishra

Phone: +91-22-6754 3596

E-mail: mradul.mishra@careedge.in**Analyst contact**

Name: Geeta Chainani

Phone: +91-22-6754 3447

E-mail: geeta.chainani@careedge.in**Relationship contact**

Name: Saikat Roy

Phone: +91-22-6754 3495

E-mail: saikat.roy@careedge.in**About CARE Ratings Limited:**

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions, backed by knowledge and assessment provided by the company.

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 had a pivotal role to play in developing bank debt and capital market instruments, including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

The ratings issued by CARE Ratings Limited 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 Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited 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 Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited 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 Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

For detailed Rationale Report and subscription information, please contact us at www.careedge.in