

IDBI Asset Management Company Limited
May 31, 2021
Ratings:

Scheme Name	Scheme Type	Rating ¹	Rating Action
IDBI Dynamic Bond Fund	Open Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Revised from 'CARE AA+mfs' [Double A Plus mfs]
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 Anneuxre-1
Detailed Rationale & Key Rating Drivers

CARE has reaffirmed the credit quality ratings assigned to IDBI Gilt Fund, IDBI Liquid Fund, IDBI Short Term Bond Fund and IDBI Ultra Short Term Fund. CARE has revised the credit quality rating of IDBI Dynamic Bond Fund from 'CARE AA+mfs' to 'CARE AAAmfs'. All of these funds is managed by IDBI Asset Management Company Limited (AMC).

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's fund credit quality ratings are opinions on the overall credit quality of specific Debt Mutual Fund scheme. CARE's 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 funds ability to meet the payment obligations to the investors.

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

CARE reviews the rated mutual fund scheme on an ongoing basis to support its published rating opinions. As such, 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 generally provides one month to the asset management company (AMC) to realign the score. The credit score of the above five schemes are on the basis of April 2021 portfolio which is within the benchmark set by CARE.

Analytical Approach: Assessment of Underlying Credit Quality of the Debt Schemes

Applicable Criteria:

[CARE's Fund Credit Quality Rating Criteria](#)

About the Fund:
IDBI Dynamic Bond Fund:

It was launched by IDBI Asset Management Limited in February 2012. The investment objective of the scheme is to generate income while maintaining liquidity through active management of a portfolio comprising of debt and money market instruments. The fund's assets under management stood at Rs.18.14 crore as on April 30, 2021.

¹ Complete definitions of the ratings assigned are available at www.careratings.com

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 assets under management stood at Rs.15.22 crore as on April 30, 2021.

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 high level of liquidity along with regular income for their investment. The Scheme will endeavor to achieve this objective through an allocation of the investment corpus in a low risk portfolio of money market and debt instruments with maturity of up to 91 days. The fund's assets under management stood at Rs.1,208.64 crore as on April 30, 2021.

IDBI Short Term Bond Fund:

The objective of the Scheme will be to provide investors with regular income for their investment. 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 assets under management stood at Rs.24.89 crore as on April 30, 2021.

IDBI Ultra Short Term Fund:

The objective of the Scheme will be to provide investors with regular income for their investment. 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 relatively lower interest rate risk. The fund's assets under management stood at Rs.447.98 crore as on April 30, 2021.

Profile of Mutual Fund & AMC

IDBI Asset Management Ltd., a subsidiary of IDBI Bank Limited, is a public limited company which 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 as Rs.4,120 crore for the quarter ended March 31, 2021.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Rate	Size of the Issue (Rs. 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 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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	IDBI Dynamic Bond Fund	Open Ended Debt Scheme	-	CARE AAAmfs	-	1) CARE AA+mfs (04-Jun-20)	1)CARE AA+mfs (03-Jan-2020) 2)CARE AA+mfs (06-Nov-19) 3)CARE AA-mfs (04-Jul-19)	1)CARE AAAmfs (22-Aug-18) 2)CARE AAAmfs (05-Jul-18)
2	IDBI Gilt Fund	Open Ended Debt Scheme	-	CARE AAAmfs	-	1) CARE AAAmfs (04-Jun-20)	1)CARE AAAmfs (03-Jan-2020) 2)CARE AAAmfs (06-Nov-19) 3)CARE AAAmfs (04-Jul-19)	1)CARE AAAmfs (05-Jul-18)
3	IDBI Liquid Fund	Open Ended Liquid Scheme	-	CARE AAAmfs	-	1) CARE AAAmfs (04-Jun-20)	1) 1)CARE AAAmfs (03-Jan-2020) 2)CARE AAAmfs (06-Nov-19) 3)CARE AAAmfs (04-Jul-19)	1)CARE AAAmfs (05-Jul-18)
4	IDBI Short Term Bond Fund	Open Ended Debt Scheme	-	CARE AAAmfs	-	1) CARE AAAmfs (04-Jun-20)	1)CARE AAAmfs (03-Jan-2020) 2)CARE A+mfs (06-Nov-19) 3)CARE A-mfs (16-Aug-19) 4)CARE A-mfs (28-Jun-19)	1)CARE AAAmfs (22-Aug-18) 2)CARE AAAmfs (05-Jul-18)

5	IDBI Ultra Short Term Fund	Open Ended Debt Scheme	-	CARE AAAmfs	-	1) CARE AAAmfs (04-Jun-20)	1) 1)CARE AAAmfs (03-Jan-2020) 2)CARE AAAmfs (06-Nov-19) 3)CARE Amfs (16-Aug-19) 4)CARE Amfs (28-Jun-19)	1)CARE AAAmfs (05-Jul-18)
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Annexure 3: Complexity Level of various instruments rated for this company

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo 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 is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE'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.

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