

IDBI Asset Management Company Ltd.

November 06, 2019

Ratings

Scheme name	Rating ¹	Rating action
IDBI Dynamic Bond Fund	'CARE AA+mfs' [CARE Double A Plus mfs]	Revised from 'CARE AA-mfs' [CARE Double A Minus mfs]
IDBI Gilt Fund	'CARE AAAmfs' [CARE Triple A mfs]	Reaffirmed
IDBI Liquid Fund	'CARE AAAmfs' [CARE Triple A mfs]	Reaffirmed
IDBI Short Term Bond Fund	'CARE A+mfs' [CARE Single A Plus mfs]	Revised from 'CARE A-mfs' [CARE Single A Minus mfs]
IDBI Ultra Short Term Fund	'CARE AAAmfs' [CARE Triple A mfs]	Revised from 'CARE Amfs' [CARE Single A mfs]

Details of instruments/facilities in Annexure-1
Detailed Rationale & Key Rating Drivers

CARE has reaffirmed the credit quality rating of 'CARE AAAmfs' assigned to IDBI Gilt Fund and IDBI Liquid Fund. CARE has revised the credit quality rating of IDBI Ultra Short Term Fund from 'CARE Amfs' to 'CARE AAAmfs', IDBI Short Term Bond Fund from 'CARE A-mfs' to 'CARE A+mfs' and IDBI Dynamic Bond Fund from 'CARE AA-mfs' to 'CARE AA+mfs' on the basis of latest portfolios. All of these funds are managed by IDBI Asset Management Limited.

Schemes rated 'CARE AAAmfs' are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made. Schemes rated 'CARE AA+mfs' are considered to have high degree of safety regarding timely receipt of payments from the investments that they have made. Schemes rated 'CARE A+mfs' are considered to have adequate 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 provides one month to the asset management company (AMC) to realign the score.

Analytical approach: Assessment of underlying credit quality of the debt schemes

Applicable Criteria

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

About the Funds
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.24.42 crore as on September 30, 2019.

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.27.23 crore as on September 30, 2019.

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

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.2043.33 crore as on September 30, 2019.

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.39.29 crore as on September 30, 2019.

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.177.21 crore as on September 30, 2019.

Profile of 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 reported an average AUM of Rs.5,347.80 crore for the quarter July-September 2019.

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 Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
IDBI Gilt Fund	-	-	-	-	CARE AAAmfs
IDBI Liquid Fund	-	-	-	-	CARE AAAmfs
IDBI Dynamic Bond Fund	-	-	-	-	CARE AA+mfs
IDBI Ultra Short Term Bond Fund	-	-	-	-	CARE AAAmfs
IDBI Short Term Bond Fund	-	-	-	-	CARE 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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	IDBI Dynamic Bond Fund	Open-Ended Debt Scheme	-	CARE AA+mfs	1)CARE AA-mfs (04-Jul-19)	1)CARE AAAmfs (22-Aug-18) 2)CARE AAAmfs (05-Jul-18)	1)CARE AAAmfs (20-Jul-17)	1)CARE AAAmfs (12-Jul-16)
2.	IDBI Gilt Fund	Open-Ended Debt Scheme	-	CARE AAAmfs	1)CARE AAAmfs (04-Jul-19)	1)CARE AAAmfs (05-Jul-18)	1)CARE AAAmfs (20-Jul-17)	1)CARE AAAmfs (12-Jul-16)
3.	IDBI Liquid Fund	Open-Ended Debt Scheme	-	CARE AAAmfs	1)CARE AAAmfs (04-Jul-19)	1)CARE AAAmfs (05-Jul-18)	1)CARE AAAmfs (20-Jul-17)	1)CARE AAAmfs (12-Jul-16)
4.	IDBI Short-term Bond Fund	Open-Ended Debt Scheme	-	CARE A+mfs	1)CARE A-mfs (16-Aug-19) 2)CARE A-mfs (28-Jun-19)	1)CARE AAAmfs (22-Aug-18) 2)CARE AAAmfs (05-Jul-18)	1)CARE AAAmfs (20-Jul-17)	1)CARE AAAmfs (12-Jul-16)
5.	IDBI Ultra Short Term Fund	Open-Ended Debt Scheme	-	CARE AAAmfs	1)CARE Amfs (16-Aug-19) 2)CARE Amfs (28-Jun-19)	1)CARE AAAmfs (05-Jul-18)	1)CARE AAAmfs (14-Nov-17) 2)CARE AA-mfs (11-Jul-17) 3) CARE AA-mfs (Under Credit watch with developing implications) (02-Jun-17)	1)CARE AAAmfs (12-Jul-16)

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:

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Disclaimer

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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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