

SBI Funds Management Pvt. Ltd

June 07, 2019

Ratings

Scheme Name	Rating ¹	Rating action
SBI Corporate Bond Fund	CARE AAAmfs* (Triple A mfs)	Final Rating

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

CARE has assigned the final credit quality rating of 'CARE AAAmfs (Triple A mfs)' to SBI Corporate Bond Fund. The fund is managed by SBI Funds Management Pvt. Ltd.

Schemes rated 'AAAmfs' are considered to have the 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 provides one month to the asset management company (AMC) to realign the score.

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

Applicable Criteria

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

About the fund
SBI Corporate Bond Fund

SBI Corporate Bond Fund is an open-ended debt scheme predominantly corporate bonds rated AA+ and above to generate additional spread on part of their debt investments from high quality corporate debt securities while maintaining moderate liquidity in the portfolio through investment in money market securities. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns.

Profile of AMC

SBI Funds Management Private Limited (SBI FMPL), the investment manager of SBI Mutual Fund is a joint venture between 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, State Bank of India and AMUNDI. The AMC had average assets under management (AUM) of Rs.2,83,806.67 crore for quarter December 2018 – March 2019. Mr. Ashwani Bhatia is the Chief Executive Officer and Managing Director of SBI Funds Management Pvt. Ltd.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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

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
SBI Corporate Bond Fund	-	-	-	-	CARE AAAmfs

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
		Type	Amount Outstanding (Rs. crore)	Rating			
1.	SBI Short Term Debt Fund	Open Ended Debt Scheme	-	CARE AAAmfs	-	CARE AAAmfs (5-Jul-18)	CARE AAAmfs (17-Jul-17)
2.	SBI Liquid Fund (Erstwhile SBI Premier Liquid Fund)	Open Ended Liquid Scheme	-	CARE AAAmfs	-	CARE AAAmfs (5-Jul-18)	CARE AAAmfs (5-Sep-17)
3.	SBI Magnum Ultra Short Duration Fund (Erstwhile SBI Magnum InstaCash Fund)	Open Ended Debt Scheme	-	CARE AAAmfs	-	CARE AAAmfs (5-Jul-18)	CARE AAAmfs (5-Sep-17)
4.	SBI Banking & PSU Fund	Open Ended Liquid Scheme	-	CARE AAAmfs	-	CARE AAAmfs (6-Dec-18)	-
5.	SBI Corporate Bond Fund	Open Ended Liquid Scheme	-	CARE AAAmfs	Provisional CARE AAAmfs (01-Feb-19)	-	-

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 credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. 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.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is 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.

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