

UTI Mutual Fund

November 15, 2019

Ratings

| Scheme name | Rating ¹ | Rating action |
|-------------------------------|---|---|
| UTI – Treasury Advantage Fund | CARE AAAmfs [CARE Triple A mfs] | Revised from ‘CARE BBB+ mfs’ [CARE Triple B Plus mfs] |
| UTI – Short Term Fund | CARE AAAmfs [CARE Triple A mfs] | Revised from ‘CARE BBB mfs’ [CARE Triple B mfs] |

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has revised the credit quality rating of UTI Short Term Fund from ‘CARE BBBmfs’ to ‘CARE AAAmfs’ and UTI Treasury Advantage Fund from ‘CARE BBB+mfs’ to ‘CARE AAAmfs’ on the basis of latest portfolios. All of these funds are managed by UTI Asset Management Co Ltd

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

UTI Treasury Advantage Fund was launched by UTI Asset Management Company Limited in July 1999. The investment objective of the scheme is to generate reasonable income for its investors consistent with high liquidity by investing in a portfolio of debt & money market instruments. The fund’s asset under management was at Rs. 2398.77 crore as on September 30, 2019

UTI Short Term Income Fund was launched by UTI Asset Management Company Limited in June 2003. The investment objective of the scheme is to generate reasonable income, with low risk and high level of liquidity from a portfolio of debt & money market instruments. The fund’s assets under management was at Rs. 2313.46 crore as on September 30, 2019.

Profile of AMC:

UTI Mutual Fund which has been established as a Trust under the Indian Trusts Act, 1882 with State Bank of India, Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India as the sponsors. UTI Asset Management Company Limited, incorporated under the Act, 1956 is the AMC to the fund.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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 |
|-----------------------------|------------------|-------------|---------------|-------------------------------|---|
| UTI Short Term Income Fund | - | - | - | - | CARE AAAmfs |
| UTI Treasury Advantage Fund | - | - | - | - | CARE AAAmfs |

Annexure-2: Rating History of last three years

| 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 |
| UTI-Treasury Advantage Fund | Open-Ended Debt Scheme | - | CARE AAAmfs | CARE BBB+mfs (30-Jul-19) | CARE AAA mfs (06-Jul-18) | CARE AAA mfs (07-Jul-17) | CARE AAA mfs (15-Jul-16) |
| UTI – Short Term Income Fund | Open-Ended Debt Scheme | - | CARE AAAmfs | CARE BBBmfs (28-Jun-19) CARE BBBmfs (18-Sept-19) | CARE AAA mfs (06-Jul-18) | CARE AAA mfs (07-Jul-17) | CARE AAA mfs (15-Jul-16) |
| UTI-Overnight Fund | Open-Ended Debt Scheme | - | CARE AAAmfs | CARE AAA mfs (04-Jul-18) | CARE AAA mfs (12-Dec-18) | - | - |

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

Contact us

Media Contact

Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact 1

Mr. Ravi Kumar
Contact No.: 022-67543421
Email: ravi.kumar@careratings.com

Analyst Contact 2

Mr. Sanjay Agarwal
Contact No.: 91-22-6754 3500 / 582
Email: sanjay.agarwal@careratings.com

Relationship Contact

Mr. Ankur Sachdeva
Contact no. : + 91 98196 98985
Email: ankur.sachdeva@careratings.com

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

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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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