

May 13, 2025

## Canara Robeco Asset Management Company Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Canara Robeco Liquid Fund	-	-	[ICRA]A1+mfs; reaffirmed
Canara Robeco Ultra Short-Term Fund	-	-	[ICRA]A1+mfs; reaffirmed
Canara Robeco Savings Fund	-	-	[ICRA]AAAmfs; reaffirmed
Canara Robeco Corporate Bond Fund	-	-	[ICRA]AAAmfs; reaffirmed
Canara Robeco Short Duration Fund	-	-	[ICRA]AAAmfs; reaffirmed
<b>Total</b>	-	-	

\*Instrument details are provided in Annexure I

### Rationale and key rating drivers

ICRA has reaffirmed the ratings for various schemes of Canara Robeco Asset Management Company Limited (the asset management company; AMC). The ratings have been reaffirmed following ICRA's monitoring of the credit risk profile of the month-end portfolio position of these schemes. The credit risk scores for these schemes were comfortably within the benchmark limits for their current rating levels.

Mutual fund ratings incorporate ICRA's assessment of the creditworthiness of a debt mutual fund scheme's investment portfolio. These ratings are a symbolic representation of the credit risk in the underlying investments or the degree of safety regarding the timely receipt of payments from the investments made by the mutual fund schemes. The ratings do not indicate the asset management company's (AMC) and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The ratings do not address market risks and hence should not be construed as an indication of the expected returns, prospective performance of the mutual fund scheme, and the ability to redeem investments at the reported net asset value (NAV) or volatility in its past returns, as all these are influenced by market risks.

ICRA's assessment of debt mutual fund schemes is guided by the credit ratings of the individual investments and the relative share of the schemes' allocation towards the investments, besides the maturity schedule of such investments. ICRA's mutual fund ratings are not a reflection on the quality of the management of the AMC or its financial performance, reputation and other business practices including investment strategies, pricing, marketing and distribution activities. Furthermore, the ratings are not a reflection of whether the AMC or the fund is compliant with the applicable regulatory requirements.

The credit matrix is a tool used by ICRA for analysing the investment portfolio of the debt mutual fund schemes by assessing the portfolio's aggregate credit quality while reviewing the credit quality of each underlying debt security. The portfolio's weighted average credit quality is compared with a benchmark credit score corresponding to the higher of the weighted average maturity of the scheme's portfolio or the maturity predefined by ICRA for the scheme category. The rating outcome corresponds to the rating level for which the portfolio weighted average credit score is less than the benchmark credit score associated with the rating level. Further, the lowest rating of the investments of the scheme acts as the floor for its rating.

Once a mutual fund scheme is rated and the rating is accepted, ICRA reviews the underlying investment portfolios for the credit scores on an ongoing basis. To this end, ICRA relies on the information provided by the AMC and/or publicly available sources. ICRA reviews the mutual fund ratings on a monthly basis or earlier, if required, which involves an evaluation of the rating corresponding to the portfolio credit score in relation to the existing rating outstanding. If the portfolio credit score meets the benchmark score for the existing rating, the rating is retained. If the portfolio credit score has a negative breach

from the benchmark credit score for the existing rating, ICRA communicates the same to the fund manager/product manager or other officials of the concerned AMC and may provide a month's time to bring the portfolio credit score within the benchmark credit score for maintaining the existing rating level. If the investment composition of the fund is realigned to bring the portfolio credit score within the benchmark credit score, the rating is retained. However, if the portfolio continues to breach the benchmark credit score for the existing rating level, the rating is revised to reflect the change in the portfolio's credit quality.

In case of sharp breaches of the benchmark credit score (for instance due to a multi-notch downgrade in the underlying investment) and/or if ICRA believes that the breach may not get rectified within a month of the ongoing review, the rating is generally corrected immediately without giving a month's time for rebalancing the portfolio. If the AMC corrects its portfolio, post the rating downgrade of the scheme, or the credit score improves in any manner subsequent to the downgrade, making the scheme eligible for an upgrade, ICRA may consider a rating upgrade only if the credit score is maintained consistently for a period of at least three months.

### Liquidity position: Not applicable

### Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – ICRA could downgrade the ratings of the schemes if the credit quality of the underlying investment deteriorates or if there is an increase in the share of lower rated investments on account of a decline in the assets under management (AUM) or otherwise, leading to a breach in the threshold for the rating level.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Mutual Funds</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

### About the company

Canara Robeco Asset Management Company Limited, the investment manager of Canara Robeco Mutual Fund, is a joint venture between Canara Bank (rated [ICRA]AAA (Stable)) and Orix Corporation Europe N. V. (previously known as Robeco Group N.V.) of the Netherlands, a global asset management company. Canara Robeco Mutual Fund is the second oldest mutual fund in India, established in December 1987 as Canbank Mutual Fund. In 2007, Canara Bank partnered with Robeco Group N.V. and the mutual fund was renamed Canara Robeco Mutual Fund.

The average quarterly AUM (AAUM) as of March 31, 2025 was Rs. 1,03,344.27 crore.

#### Canara Robeco Liquid Fund

Canara Robeco Liquid Fund, an open-ended liquid scheme, has an objective to enhance income, while maintaining a high level of liquidity, through investments in money market instruments and debt securities. The scheme's AUM was Rs. 4,032 crore as on March 31, 2025.

#### Canara Robeco Ultra Short-Term Fund

Canara Robeco Ultra Short-Term Fund is an open-ended ultra-short-term debt scheme investing in debt and money market instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. The scheme seeks to generate returns by investing in a wide range of debt securities and money market instruments of various maturities and risk profiles. The scheme's AUM was Rs. 514 crore as on March 31, 2025.

### Canara Robeco Savings Fund

Canara Robeco Savings Fund is an open-ended low duration debt scheme, which seeks to generate income/capital appreciation by investing in debt and money market instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months. The scheme's AUM was Rs. 992 crore as on March 31, 2025.

### Canara Robeco Corporate Bond Fund

Canara Robeco Corporate Bond Fund is an open-ended debt scheme. Its objective is to generate income and capital appreciation through a portfolio primarily comprising corporate debt rated AA+ and above across maturities. The scheme's AUM was Rs. 119 crore as on March 31, 2025.

### Canara Robeco Short Duration Fund

Canara Robeco Short Duration Fund is an open-ended short-term debt scheme investing in debt and money market instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years. The scheme's AUM was Rs. 334 crore as on March 31, 2025.

**Key financial indicators: Not applicable**

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	FY2026		FY2025		FY2024		FY2023		
	Type	Amount rated (Rs. crore)	May 13, 2025	Date	Rating	Date	Rating	Date	Rating
Canara Robeco Liquid Fund	Short term	-	[ICRA] A1+mfs	Jul 03, 2024	[ICRA] A1+mfs	Jul 28, 2023	[ICRA] A1+mfs	Dec 06, 2022	[ICRA] A1+mfs
			-	-	-	-	-	Aug 10, 2022	[ICRA] A1+mfs
Canara Robeco Ultra Short-Term Fund	Short term	-	[ICRA]A1+mfs	Jul 03, 2024	[ICRA] A1+mfs	Jul 28, 2023	[ICRA] A1+mfs	Dec 06, 2022	[ICRA]AAA mfs withdrawn; [ICRA]A1+mfs assigned simultaneously
			-	-	-	-	-	Aug 10, 2022	[ICRA] AAA mfs
Canara Robeco Savings Fund	Long term	-	[ICRA]AAA mfs	Jul 03, 2024	[ICRA] AAA mfs	Jul 28, 2023	[ICRA] AAA mfs	Dec 06, 2022	[ICRA]A1+mfs withdrawn; [ICRA]AAA mfs assigned simultaneously
			-	-	-	-	-	Aug 10, 2022	[ICRA] A1+mfs
Canara Robeco Corporate Bond Fund	Long term	-	[ICRA] AAA mfs	Jul 03, 2024	[ICRA] AAA mfs	Jul 28, 2023	[ICRA] AAA mfs	Dec 06, 2022	[ICRA]AAA mfs
			-	-	-	-	-	Aug 10, 2022	[ICRA] AAA mfs
Canara Robeco Short Duration Fund	Long term	-	[ICRA] AAA mfs	Jul 03, 2024	[ICRA] AAA mfs	Jul 28, 2023	[ICRA] AAA mfs	Dec 06, 2022	[ICRA]AAA mfs
			-	-	-	-	-	Aug 10, 2022	[ICRA] AAA mfs

### **Complexity level of the rated instruments: Not applicable**

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

Not applicable

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

## ANALYST CONTACTS

**Karthik Srinivasan**

+91 22 6114 3444

[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Kruti Jagad**

+91 22 6114 3447

[kruti.jagad@icraindia.com](mailto:kruti.jagad@icraindia.com)

**Niharika Tomar**

+91 124 4545 324

[niharika.tomar@icraindia.com](mailto:niharika.tomar@icraindia.com)

**Anil Gupta**

+91 124 4545 314

[anilg@icraindia.com](mailto:anilg@icraindia.com)

**Harsh Mange**

+91 22 6114 3429

[harsh.mange@icraindia.com](mailto:harsh.mange@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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