HDFC Asset Management Company Limited

Scheme	Rating
HDFC Banking and PSU Debt Fund	[ICRA]AA+mfs/ Revised from [ICRA]AAAmfs

ICRA has revised the rating outstanding on HDFC Banking and PSU Debt Fund from [ICRA]AAAmfs to [ICRA]AA+mfs.

ICRA has outstanding rating of [ICRA]A1+mfs (pronounced ICRA A One plus m f s) to HDFC Cash Management Fund – Savings Plan (HDFC-CMS), HDFC Liquid Fund (HDFC-LF) and HDFC Floating Rate Income Fund – Short Term Plan (HDFC-FRSTP). ICRA has outstanding rating of [ICRA]AAAmfs (pronounced ICRA triple A m f s) to HDFC Cash Management Fund – Treasury Advantage Plan (HDFC-TAP), HDFC Medium Term Opportunities Fund (HDFCMTO), HDFC Short Term Opportunities Fund (HDFC-STO), HDFC Income Fund (HDFC-IF) and HDFC High Interest Fund – Dynamic Plan (HDFC-HIFDP). ICRA also has outstanding ratings of [ICRA]AA+mfs (pronounced ICRA double A plus m f s) HDFC High Interest Fund – Short Term Plan (HDFCHISTP). ICRA has outstanding rating of [ICRA]AAAmfs(SO) [pronounced ICRA triple A m f s Structured Obligation] to 2 plans of HDFC Capital Protection Oriented Fund – Series I, 4 plans of HDFC Capital Protection Oriented Fund – Series II, 3 plans of HDFC Capital Protection Oriented Fund – Series III and HDFC Debt fund for Cancer Cure 2014.

Asset Management Company and Fund Details

The above scheme is a mutual fund scheme of HDFC Mutual Fund (HDFC MF) and is managed by HDFC Asset Management Company Limited (a joint venture with Standard Life Investments). The Quarterly average Assets Under Management (AUM) of schemes of HDFC Mutual Fund during quarter ended September 2016 (excluding Fund of Fund Schemes) was Rs. 2,13,086 crore.

Launched in March 2014, HDFC-BPSU is an open-ended income scheme with a stated objective to generate regular income through investments in debt and money market instruments consisting predominantly of securities issued by entities such as Scheduled Commercial Banks and Public Sector undertakings. The scheme’s assets under management stood at Rs. 1,565 crores as on September 30, 2016 and had an average residual maturity of around ~3.5 years as on that date.

ICRA Credit Quality Rating Methodology for debt mutual fund schemes

ICRA’s mutual fund rating methodology is based on evaluating the inherent credit quality of the funds portfolio. As a measure of the credit quality of a debt fund’s assets, ICRA uses the concept of “credit scores”. These scores are based on ICRA’s estimates of credit risk associated with each exposure of the portfolio taking into account its maturity. To quantify the credit risk scores, ICRA uses its database of historical default rates for various rating categories for various maturity buckets. The credit risk ratings incorporate ICRA’s assessment of a debt fund’s published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio. ICRA reviews relevant fund information on an ongoing basis to support its published rating opinions. If the portfolio credit score meets the benchmark of the assigned rating during the review, the rating is retained. In an event that the benchmark credit score is breached, ICRA gives a month’s time to the debt fund manager to bring the portfolio credit score within the benchmark credit score. If the debt fund manager is able to reduce the portfolio credit score within the benchmark credit score, the rating is retained. If the portfolio still continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality.

October 2016

For further details please contact:
Analyst Contacts:
Mr. Karthik Srinivasan (Tel No +91 22 6114 3444)
karthiks@icraindia.com

Neha Parikh (Tel. No. +91 22 6114 3426)
neha.parikh@icraindia.com

Chirag Sureka (Tel. No. +91 22 6114 3424)
chirag.sureka@icraindia.com

Relationship Contacts:
Mr. L. Shivakumar, (Tel. No. +91 22 6114 3406)
shivakumar@icraindia.com

Registered Office
ICRA Limited
1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office
Mr. Vivek Mathur
Mobile: +**91 9871221122**
Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 3rd Floor, Electric Mansion Appasaheb Marathe Marg, Prabhadevi Mumbai—400025, Board : +91-22-61796300; Fax: +91-22-24331390	**Kolkata** **Mr. Jayanta Roy** Mobile: **+91 9903394664** Email: jayanta@icraindia.com A-10 & 11, 3rd Floor, FMC Fortuna 234/3A, A.J.C. Bose Road Kolkata—700020 Tel +91-33-22876617/8839 22800008/22831411, Fax +91-33-22870728
Chennai **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 5th Floor, Karumuttu Centre 634 Anna Salai, Nandanam Chennai—600035 Tel: +91-44-45964300; Fax: +91-44 24343663	**Bangalore** **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 'The Millenia' Tower B, Unit No. 1004,10th Floor, Level 2 12-14, 1 & 2, Murphy Road, Bangalore 560 008 Tel: +91-80-43326400; Fax: +91-80-43326409
Ahmedabad **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 907 & 908 Sakar -II, Ellisbridge, Ahmedabad- 380006 Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-79-25569231	**Pune** **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range Hills Road, Shivajinagar,Pune-411 020 Tel: + 91-20-25561194-25560196; Fax: +91-20- 25561231
Hyderabad **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj Bhavan Road, Hyderabad—500083 Tel:- +91-40-40676500	