Canara Robeco Asset Management Company Limited

March 28, 2019

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Canara Robeco Ultra Short Term Fund	-	-	[ICRA]AAAmfs; reaffirmed
Canara Robeco Corporate Bond Fund	-	-	[ICRA]AA+mfs; reaffirmed
Canara Robeco Savings Fund	-	-	[ICRA]A1+mfs; reaffirmed
Canara Robeco Liquid Fund	-	-	[ICRA]A1+mfs; reaffirmed
Total			

Rationale and key rating drivers

ICRA's mutual fund rating methodology is based on evaluating the inherent credit quality of the fund's 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 the 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 and 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.

Outlook: Not Applicable

Liquidity position: Not Applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA- Mutual Fund Credit Risk Rating Methodology
Parent/Group Support	Not applicable
Consolidation / Standalone	Not applicable

About the company:

Canara Robeco Asset Management Company Limited

Canara Robeco Asset Management Company Limited (CRAMC), the investment managers of Canara Robeco Mutual Fund, is a joint venture between Canara Bank and Robeco Group N.V. (now known as Orix Corporation Europe 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. Subsequently, in 2007, Canara Bank partnered with

Robeco Group N.V. and the mutual fund was renamed as Canara Robeco Mutual Fund. The Average Assets[1] managed by Canara Robeco MF during quarter ended December 31, 2018 was ~Rs. 13,656 crore.

Canara Robeco Ultra Short Term Fund

Launched in September 2003, Canara Robeco Ultra Short Term Fund (erstwhile Canara Robeco Treasury Advantage Fund) is an open ended ultra-short term debt scheme investing in debt & money market instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months and aims to generate returns by investing in a wide range of debt securities and money market instruments of various maturities and risk profile. The scheme had assets under management of Rs. 109 crore as on February 28, 2019 with an average maturity of ~4 months as on that date. The fund continues to maintain a high proportion of its investments rated at highest credit quality.

Canara Robeco Corporate Bond Fund

Launched in February 2014, Canara Robeco Corporate Bond Fund (erstwhile Canara Robeco Medium Term Opportunities Fund) has a stated objective to generate income and capital appreciation through a portfolio constituted predominantly of AA+ and above rated Corporate Debt across maturities. The scheme had assets under management of Rs. 171 crore as on February 28, 2019 with an average maturity of about 3 years as on that date.

Canara Robeco Savings Fund

Launched in March 2005, Canara Robeco Savings Fund (erstwhile Canara Robeco Savings Plus Fund) is an open-ended low duration debt scheme that would invest upto 100% in Debt & money market instruments. The fund's stated objective is to generate income by investing in a portfolio comprising of low duration debt instruments and money market instruments. The Macaulay duration of the portfolio of the fund is between 6 months and 12 months. The fund's corpus stood at Rs. 858 crore as on February 28, 2019 and an average maturity of about 9 months as on that date. The fund continues to maintain a high proportion of its investments rated at highest credit quality.

Canara Robeco Liquid Fund

Launched in January 2002, Canara Robeco Liquid Fund (Canara Robeco Liquid) is an open-ended liquid scheme with a stated objective to enhance income while maintaining a level of liquidity through investments in high-quality debt (upto 35%) and money market instruments/ call money (upto 100%). The fund had assets under management of Rs. 1,325 crore as on February 28, 2019 and an average maturity of less than a month as on that date. The fund continues to maintain a high proportion of its investments rated at highest credit quality.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

[1] Excluding Fund of funds

Rating history for last three years:

	Instrument	Current Rating (FY2019) Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Mar 2019	Chronology of Rating History for the past 3 years FY2018 Mar 2018	FY2017 Mar 2017	Dec 2016	Apr 2016	FY2016 May 2015
1	Canara Robeco Savings Fund	Short Term	-	-	[ICRA] A1+mfs; reaffirmed	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs
2	Canara Robeco Liquid Fund	Short Term	-	-	[ICRA] A1+mfs; reaffirmed	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs
5	Canara Robeco Ultra Short Term Fund	Long Term	-	-	[ICRA] AAAmfs; reaffirmed	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
6	Canara Robeco Corporate Bond Fund	Long Term	-	-	[ICRA] AA+mfs; reaffirmed	[ICRA] AA+mfs	[ICRA] AA+mfs	[ICRA] AA+mfs	[ICRA] AA+mfs	[ICRA] AA+mfs

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	NA	NA	NA	NA	NA	NA

Annexure-2: List of entities considered for consolidated analysis

Not applicable

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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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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