February 06, 2020

UTI Asset Management Company Limited: [ICRA]AAAmfs assigned to UTI Floater Fund

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
UTI Floater Fund	-	[ICRA]AAAmfs; assigned
UTI Treasury Advantage Fund	-	[ICRA]AAAmfs; outstanding
UTI Ultra Short Term Fund	-	[ICRA]AAAmfs; outstanding
UTI Bond Fund	-	[ICRA]BBBmfs@; outstanding
UTI Dynamic Bond Fund	-	[ICRA]BBBmfs@; outstanding
UTI Corporate Bond Fund	-	[ICRA]AAAmfs; outstanding
UTI Money Market Fund	-	[ICRA]A1+mfs; outstanding
UTI Banking and PSU Debt Fund	-	[ICRA]BBB-mfs@; outstanding
UTI Liquid Cash Plan	-	[ICRA]A1+mfs; outstanding
UTI Overnight Fund	-	[ICRA]A1+mfs; outstanding
UTI Capital Protection Oriented Scheme Series X - Plan 2	-	[ICRA]AAA(SO); outstanding
UTI Capital Protection Oriented Scheme Series IX - Plan 1	-	[ICRA]AAA(SO); outstanding
UTI Capital Protection Oriented Scheme Series IX - Plan 2	-	[ICRA]AAA(SO); outstanding
UTI Capital Protection Oriented Scheme Series IX - Plan 3	-	[ICRA]AAA(SO); outstanding
Total	**-**	

@Under rating Watch with Negative Implications
**Instrument details are provided in Annexure-1*

Rationale and key rating drivers

ICRA has assigned the credit risk rating of [ICRA]AAAmfs (pronounced ICRA triple A m f s) for UTI Floater Fund of UTI Asset Management Company Limited (UTI AMC). The rating assigned is based on the portfolio of the scheme with the credit score of the portfolio being comfortable at the rating level of [ICRA]AAAmfs. Schemes with this rating are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made.

The ratings indicate ICRA's opinion on the credit quality of the portfolios held by the funds. The ratings do not indicate the AMC's willingness, or ability, to make timely payments to the fund's investors. The ratings should not be construed as an indication of expected returns, prospective performance of the mutual fund scheme, NAV or of volatility in its returns.

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 continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality.

Liquidity: Not applicable

Rating sensitivities

Positive triggers – Not applicable

Negative triggers – ICRA could downgrade the ratings of the schemes if the credit quality of the underlying investment deteriorates or the size of the AUM declines, which may result in an increase in the share of lower rated investments and lead to a breach in the threshold for the rating level.

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

UTI Asset Management Company Limited, incorporated under the Companies Act, 1956, is the asset management company (AMC) for UTI Mutual Fund. The fund was 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. The AMC's average AUM for the quarter ended December 31, 2019 stood at Rs. 1,57,119.09 crore[1].

UTI Floater Fund
Launched in October 2018, UTI Floater Fund is an open-ended debt scheme with a stated objective to generate reasonable returns and reduce interest rate risk by investing in a portfolio comprising predominantly of floating rate instruments and fixed rate instruments swapped for floating rate returns. The fund's net AUM stood at Rs. 1,332 crore as on December 31, 2019.

UTI Corporate Bond Fund
Launched in August 2018, UTI Corporate Bond Fund is an open-ended debt scheme with a stated objective to generate optimal returns by investing predominantly in AA+ and above rated corporate bonds. The fund's net AUM stood at Rs. 737 crore as on December 31, 2019.

UTI Money Market Fund
Launched in April 1997, UTI Money Market Fund is an open-ended debt scheme with a stated objective to generate reasonable income with a high level of liquidity in a portfolio of money market instruments. The fund's net AUM stood at Rs. 7,515 crore as on December 31, 2019.

UTI Bond Fund
Launched in May 1998, UTI Bond Fund is an open-ended debt scheme with a stated objective to invest in the entire range of debt and money market instruments. The fund's net AUM stood at Rs. 501 crore as on December 31, 2019. The

[1] *Source: Association of Mutual Funds in India (https://www.amfiindia.com/)*

scheme had a gross exposure of Rs. 74.91 crore to the debt instruments of JSEL as on December 31, 2019. However, post mark down to 50%, the net exposure stood at Rs. 37.46 crore.

UTI Dynamic Bond Fund

Launched in June 2010, UTI Dynamic Bond Fund is an open-ended income scheme with a stated objective to generate optimal returns with adequate liquidity through the active management of the portfolio by investing in debt and money market instruments. The fund's net AUM stood at Rs. 450 crore as on December 31, 2019. The scheme had a gross exposure of Rs. 89.01 crore to the debt instruments of JSEL as on December 31, 2019. However, post mark down to 50%, the net exposure stood at Rs. 44.51 crore.

UTI Ultra Short Term Fund

Launched in August 2003, UTI Ultra Short Term Fund (earlier known as UTI Floating Rate Fund) aims to generate reasonable income with low volatility through investment in a portfolio comprising debt and money market instruments. The fund's net AUM stood at Rs. 2,276 crore as on December 31, 2019.

UTI Treasury Advantage Fund

Launched in July 1999, the key objective of this open-ended debt scheme is to generate income through investments in quality-oriented debt and money market instruments. The fund's net AUM stood at Rs. 2,267 crore as on December 31, 2019.

UTI Liquid Cash Plan

Launched in June 2003, UTI Liquid Fund Cash Plan is an open-ended liquid scheme with a stated objective to generate steady and reasonable income, with low risk and a high level of liquidity, from a portfolio of money market securities and high-quality debt. The fund's net AUM stood at Rs. 30,477 crore as on December 31, 2019.

UTI Overnight Fund

Launched in November 2003, UTI Overnight Fund is an open-ended debt scheme investing in overnight securities with a stated objective to generate reasonable income, with low risk and a high level of liquidity from a portfolio of overnight securities with a maturity of one day. The fund's net AUM stood at Rs. 2,802 crore as on December 31, 2019.

UTI Banking and PSU Debt Fund

Launched in January 2014, UTI Banking and PSU Debt Fund is an open-ended income scheme with a stated objective to generate steady and reasonable income, with low risk and a high level of liquidity from a portfolio of predominantly debt and money market securities of banks and public sector undertakings (PSUs). The fund's net AUM stood at Rs. 146 crore as on December 31, 2019. The scheme had a gross exposure of Rs. 58.23 crore to the debt instruments of JSEL as on December 31, 2019. However, post mark down to 50%, the net exposure stood at Rs. 29.12 crore.

UTI Capital Protection Oriented Scheme Series IX - (Plans 1, 2 & 3) and Series X - Plan 2

Plan 1 of UTI Capital Protection Oriented Scheme Series IX was launched in April 2017, Plan 2 was launched in June 2017 and Plan 3 was launched in August 2017. Plan 2 of UTI Capital Protection Oriented Scheme Series X was launched in April 2018.

The portfolio structure of the capital protection schemes has been designed with the intention of protecting the unitholder's capital at maturity, which is achieved by investing the majority of the funds in debt securities maturing on or before the maturity of the scheme. The schemes will invest in debt securities with the highest credit rating, mitigating any concerns on credit risk. The proportion of debt securities is calculated so that the redemption value of the debt less the AMC expenses will be equal to or more than the unitholder's initial capital, thereby offering the highest degree of protection to the unitholder's capital at maturity. ICRA has factored in the credit risk of debt investments, reinvestment risk of interim receipts, precondition of marginal tenure mismatches and obligor concentrations. The debt portion would be passively managed. The balance portion is invested in equity and/or equity-linked instruments to provide upside potential to the unitholders. At the same time, given the proportion of high credit quality debt investments and the portfolio structure, the downside is protected, and the investor may not suffer a loss of the initial investment at the time of maturity.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Sr No	Name of Scheme	FY2020												Chronology of Rating History for the Past 3 Years													
		Current Rating (FY2020)			Previous Ratings (FY2020)									FY2019							FY2018				FY2017		
		Type	Rated amount	6-Feb-20	30-Dec-19	22-Nov-19	27-Sep-19	9-Sep-19	9-Jul-19	2-Jul-19	14-Jun-19	27-May-19	25-Apr-19	21-Jan-19	5-Dec-18	22-Oct-18	21-Sep-18	27-Jun-18	12-Jun-18	18-Apr-18	20-Dec-17	23-Oct-17	24-Aug-17	10-Jul-17	17-Oct-16	6-Oct-16	8-Jul-16
1	UTI Floater Fund	Long Term	-	[ICRA]AAAmfs;																							
2	UTI Corporate Bond Fund	Long Term	-	[ICRA]AAAmfs;	[ICRA]AAAmfs;	[ICRA]AAAmfs;	[ICRA]AAAmfs;	[ICRA]AAAmfs;																			
3	UTI Money Market Fund	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs																		
4	UTI Dynamic Bond Fund	Long Term	-	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBB+mfs@	[ICRA]AA-mfs@	[ICRA]AAAmfs@	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
5	UTI Ultra Short Term Fund	Long Term	-	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAmfs	[ICRA]AAmfs	[ICRA]AAmfs	[ICRA]AAmfs	[ICRA]AAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs

6	UTI Treasury Advantage Fund	Long Term	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]BBB+ mfs	[ICRA]BBB+ mfs	[ICRA]BBB+ mfs	[ICRA]BBB+ mfs	[ICRA] BBB+ mfs	[ICRA]AA mfs	[ICRA]AA mfs	[ICRA] AAA mfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
7	UTI Bond Fund	Long Term	-	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA]BBBmfs@	[ICRA] BBBmfs@	[ICRA]BBB+mfs@	[ICRA]AA-mfs@	[ICRA] AAAmfs@	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
8	UTI Banking and PSU Debt Fund	Long Term	-	[ICRA]BBB-mfs@	[ICRA]BBB-mfs@	[ICRA]BBB-mfs@	[ICRA]BBB-mfs@	[ICRA]BBB-mfs@	[ICRA]BBB-mfs@	[ICRA]BBB-mfs@	[ICRA] BBB-mfs@	[ICRA]BBB-mfs@	[ICRA]AAAmfs@	[ICRA] AAAmfs@	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
9	UTI Liquid Cash Plan	Short Term	-	[ICRA] A1+ mfs	[ICRA] A1+ mfs	[ICRA] A1+ mfs	[ICRA] A1+ mfs	[ICRA] A1+ mfs	[ICRA] A1+ mfs	[ICRA] A1+ mfs	[ICRA] A1+mfs	[ICRA] A1+ mfs	[ICRA] A1+ mfs	[ICRA] A1+ mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs

10	UTI Overnight Fund	Short Term	-	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs												
11	UTI Capital Protection Oriented Scheme Series X - Plan 2	Long Term	-	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	Provisional [ICRA] AAAmfs (SO)	Provisional [ICRA] AAAmfs (SO)	Provisional [ICRA] AAAmfs (SO)	Provisional [ICRA] AAAmfs (SO)	Provisional [ICRA] AAAmfs (SO)				
12	UTI Capital Protection Oriented Scheme Series IX - Plan 1	Long Term	-	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	Provisional [ICRA] AAAmfs (SO)		

13	UTI Capital Protection Oriented Scheme Series IX - Plan 2	Long Term	-	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	Provisional [ICRA] AAAmfs (SO)	Provisional [ICRA] AAAmfs (SO)		
14	UTI Capital Protection Oriented Scheme Series IX - Plan 3	Long Term	-	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	[ICRA] AAAmfs (SO)	Provisional[ICRA]AAAmfs (SO)	Provisional[ICRA]AAAmfs(SO)	Provisional [ICRA] AAAmfs (SO)		

Rating history for last three years

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	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

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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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