

September 05, 2024

Invesco Asset Management (India) Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Invesco India Overnight Fund	-	-	[ICRA]A1+mfs; reaffirmed
Invesco India Ultra Short Duration Fund (erstwhile Invesco India Ultra Short Term Fund)	-	-	[ICRA]A1+mfs; reaffirmed
Invesco India Money Market Fund	-	-	[ICRA]A1+mfs; reaffirmed
Invesco India Liquid Fund	-	-	[ICRA]A1+mfs; reaffirmed
Invesco India Short Duration Fund (erstwhile Invesco India Short Term Fund)	-	-	[ICRA]AAAmfs; reaffirmed
Invesco India Low Duration Fund (erstwhile Invesco India Treasury Advantage Fund)	-	-	[ICRA]AAAmfs; reaffirmed
Invesco India Corporate Bond Fund	-	-	[ICRA]AAAmfs; reaffirmed
Invesco India Banking and PSU Fund (erstwhile Invesco India Banking and PSU Debt Fund)	-	-	[ICRA]AAAmfs; reaffirmed
Total	-	-	

*Instrument details are provided in Annexure I

Rationale and key rating drivers

ICRA has reaffirmed the ratings of various debt schemes of Invesco Asset Management (India) Private 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 the mutual fund (MF) schemes. The credit risk scores for these schemes were comfortably within the benchmark limits for their current rating levels.

MF ratings incorporate ICRA's assessment of the creditworthiness of a debt MF 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 MF scheme. The rating does not indicate the AMC and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The rating also does not address the market risks and hence should not be construed as an indication of the expected returns, the prospective performance of the MF scheme, and the ability to redeem the investments at the reported net asset value (NAV) or the volatility in its past returns as all these are influenced by market risks.

ICRA's assessment of debt MF schemes is guided by the credit rating of the individual investments, the relative share of the investments in the overall assets under management (AUM) of the scheme and the maturity schedule of such investments. ICRA's MF ratings are not a reflection of 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 debt MF 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's 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 an MF 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 MF 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 –

For Invesco India Overnight Fund – ICRA could downgrade the rating of the scheme if the credit quality of the underlying investment deteriorates, leading to a breach in the threshold for the rating level.

For other schemes – 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, leading to a breach in the threshold for the rating level.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA Rating Methodology – Mutual Funds
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the company

Invesco Mutual Fund is managed by Invesco Asset Management (India) Private Limited (erstwhile Religare Invesco Asset Management Company Private Limited or Religare Invesco AMC). US-based Invesco acquired a 49% stake in Religare AMC in September 2012 and the name was changed to Religare Invesco AMC. Religare sold its entire stake in the joint venture to

Invesco in April 2016 and the name was changed to Invesco Asset Management (India) Private Limited. The AMC's average AUM stood Rs. 83,562.27 crore¹ for the quarter ending June 30, 2024.

Invesco India Overnight Fund

Launched in January 2020, Invesco India Overnight Fund is an open-ended fund investing in overnight securities. The investment objective is to generate income commensurate with low risk and high liquidity by investing in overnight securities with residual maturity of one business day. The AUM stood at Rs. 509 crore as on July 31, 2024.

Invesco India Ultra Short Duration Fund (erstwhile Invesco India Ultra Short Term Fund)

Launched in December 2010, Invesco India Ultra Short Duration Fund (erstwhile Invesco India Ultra Short Term Fund) is an open-ended fund, investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. The investment objective is to generate accrual income by investing in a portfolio of short-term money market and debt instruments. The AUM stood at Rs. 704 crore as on July 31, 2024.

Invesco India Money Market Fund

Launched in August 2009, Invesco India Money Market Fund is an open-ended debt scheme investing in money market instruments with a year's maturity. The investment objective is to generate superior risk-adjusted returns by investing in money market instruments. The AUM stood at Rs. 4,618 crore as on July 31, 2024.

Invesco India Liquid Fund

Launched in November 2006, Invesco India Liquid Fund is an open-ended debt scheme investing in debt and money market securities with maturity of up to 91 days. The investment objective is to generate income over the short term, commensurate with low risk and high liquidity. The AUM stood at Rs. 10,987 crore as on July 31, 2024.

Invesco India Short Duration Fund (erstwhile Invesco India Short Term Fund)

Launched in March 2007, Invesco India Short Duration Fund (erstwhile Invesco India Short Term Fund) is an open-ended debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years. The investment objective is to generate returns with a moderate risk by investing in a portfolio of debt and money market instruments. The AUM stood at Rs. 397 crore as on July 31, 2024.

Invesco India Low Duration Fund (erstwhile Invesco India Treasury Advantage Fund)

Launched in January 2007, Invesco India Low Duration Fund (erstwhile Invesco India Treasury Advantage Fund) is an open-ended debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months. The investment objective is to generate income by investing in debt and money market instruments. The AUM stood at Rs. 1,447 crore as on July 31, 2024.

Invesco India Corporate Bond Fund

Launched in August 2007, Invesco India Corporate Bond Fund is an open-ended debt scheme with the objective of generating regular and stable income by predominantly investing in corporate bonds rated AA+ and above along with debt and money market instruments (maximum investment in debt and money market instruments should not exceed 20% of the net assets of the scheme). The AUM stood at Rs. 3,767 crore as on July 31, 2024.

Invesco India Banking and PSU Fund (erstwhile Invesco India Banking and PSU Debt Fund)

Launched in December 2012, Invesco India Banking and PSU Fund (erstwhile Invesco India Banking and PSU Debt Fund) is an open-ended debt scheme with the objective of generating returns over the short and medium term by predominantly investing

¹ Source: [AMFI website](#); Excludes Fund of Funds Domestic but includes Fund of Funds Overseas

in the debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds. The AUM stood at Rs. 101 crore as on July 31, 2024.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years					
Instrument	Type	Amount Rated (Rs. crore)	Sep 05, 2024	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Invesco India Ultra Short Duration Fund (erstwhile Invesco India Ultra Short Term Fund)	Short term	-	[ICRA]A1+mfs	Nov 03, 2023	[ICRA]A1+mfs	Jan 02, 2023	[ICRA]A1+mfs	Feb 02, 2022	[ICRA]A1+mfs
Invesco India Overnight Fund	Short term	-	[ICRA]A1+mfs	Nov 03, 2023	[ICRA]A1+mfs	Jan 02, 2023	[ICRA]A1+mfs	Feb 02, 2022	[ICRA]A1+mfs
Invesco India Liquid Fund	Short term	-	[ICRA]A1+mfs	Nov 03, 2023	[ICRA]A1+mfs	Jan 02, 2023	[ICRA]A1+mfs	Feb 02, 2022	[ICRA]A1+mfs
Invesco India Money Market Fund	Short term	-	[ICRA]A1+mfs	Nov 03, 2023	[ICRA]A1+mfs	Jan 02, 2023	[ICRA]A1+mfs	Feb 02, 2022	[ICRA]A1+mfs
Invesco India Short Duration Fund (erstwhile Invesco India Short Term Fund)	Long term	-	[ICRA]AAAmfs	Nov 03, 2023	[ICRA]AAAmfs	Jan 02, 2023	[ICRA]AAAmfs	Feb 02, 2022	[ICRA]AAAmfs
Invesco India Low Duration Fund (erstwhile Invesco India Treasury Advantage Fund)	Long term	-	[ICRA]AAAmfs	Nov 03, 2023	[ICRA]AAAmfs	Jan 02, 2023	[ICRA]AAAmfs	Feb 02, 2022	[ICRA]AAAmfs
Invesco India Corporate Bond Fund	Long term	-	[ICRA]AAAmfs	Nov 03, 2023	[ICRA]AAAmfs	Jan 02, 2023	[ICRA]AAAmfs	Feb 02, 2022	[ICRA]AAAmfs
Invesco India Banking and PSU Fund (erstwhile Invesco India Banking and PSU Debt Fund)	Long term	-	[ICRA]AAAmfs	Nov 03, 2023	[ICRA]AAAmfs	Jan 02, 2023	[ICRA]AAAmfs	Feb 02, 2022	[ICRA]AAAmfs

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

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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.

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Branches



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