

October 10, 2024

WhiteOak Capital Asset Management Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
WhiteOak Capital Liquid Fund	-	-	[ICRA]A1+mfs; reaffirmed
WhiteOak Capital Ultra Short Duration Fund	-	-	[ICRA]A1+mfs; reaffirmed
Total	-	-	

*Instrument details are provided in Annexure I

Rationale and key rating drivers

ICRA has reaffirmed the ratings for WhiteOak Capital Liquid Fund and WhiteOak Capital Ultra Short Duration Fund of WhiteOak Capital Asset Management Limited (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 (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 schemes. The ratings do not indicate the AMC's 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 MF 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 MF 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 MF 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 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 a 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 – ICRA could downgrade the ratings of the schemes if the credit quality of the underlying investment deteriorates or the size of 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 FOR MUTUAL FUNDS
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the company

WhiteOak Capital Asset Management Limited (WOC AMC) is a part of the White Oak Capital Group. It manages the mutual fund schemes of WhiteOak Capital Mutual Fund (WOC MF). WhiteOak Capital Mutual Fund had average assets under management (AUM) of Rs. 10,680¹ crore for the quarter ending June 2024.

In August 2020, GPL Finance and Investments Limited (wholly owned subsidiary of WhiteOak Investment Management Private Limited) had executed a definitive agreement with YES Bank for the acquisition of YES Asset Management (India) Limited (YES AMC) and YES Trustee Limited. Following the receipt of the requisite regulatory approvals, YES AMC was rechristened WOC AMC.

WhiteOak Capital Liquid Fund

Launched in January 2019, WhiteOak Capital Liquid Fund (an open-ended liquid scheme and a relatively low-interest rate risk and moderate credit risk) invests in money market and debt instruments with maturity/residual maturity of up to 91 days. Its objective is to generate optimal returns consistent with moderate levels of risk and high liquidity by investing in high quality debt and money market instruments, though there is no assurance that the investment objective of the Scheme will be achieved. The fund's AUM stood at ~Rs. 286 crore as on August 31, 2024.

¹ Source: AMFI <https://www.amfiindia.com/research-information/aum-data/average-aum>

WhiteOak Capital Ultra Short Duration Fund

Launched in June 2019, WhiteOak Capital Ultra Short Duration 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 3-6 months. It has relatively low-interest rate risk and moderate credit risk. The investment objective of the scheme is to generate reasonable income with low volatility through investment in a portfolio comprising debt and money market instruments, though there is no assurance that the investment objective of the Scheme will be achieved. The fund's AUM stood at ~Rs. 282 crore as on August 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

Instrument	Type	Current (FY2025)		Chronology of rating history for the past 3 years					
		Amount Rated (Rs Crore)	Oct 10, 2024	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
WhiteOak Capital Liquid Fund	Short Term	-	[ICRA]A1+mfs	03-Nov-23	[ICRA]A1+mfs	31-Jan-23	[ICRA]A1+mfs	17-May-21	[ICRA]A1+mfs
				-	-	04-May-22	[ICRA]A1+mfs	-	-
WhiteOak Capital Ultra Short Duration Fund	Short Term	-	[ICRA]A1+mfs	03-Nov-23	[ICRA]A1+mfs	31-Jan-23	[ICRA]A1+mfs	17-May-21	[ICRA]A1+mfs
				-	-	04-May-22	[ICRA]A1+mfs	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
WhiteOak Capital Liquid Fund	Not applicable
WhiteOak Capital Ultra Short Duration Fund	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

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	WhiteOak Capital Liquid Fund	NA	NA	NA	NA	[ICRA]A1+mfs
NA	WhiteOak Capital Ultra Short Duration Fund	NA	NA	NA	NA	[ICRA]A1+mfs

Annexure II: List of entities considered for consolidated analysis: Not applicable

ANALYST CONTACTS

Karthik Srinivasan

+91 22 6114 3444

karthiks@icraindia.com

Sohil Mehta

022 61143449

sohil.mehta@icraindia.com

Subhrajyoti Mohapatra

+91 80 4332 6406

subhrajyoti.mohapatra@icraindia.com

Anil Gupta

+91 124 4545 314

anilg@icraindia.com

Atharva Pednekar

+91 22 6169 3361

atharva.pednekar@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

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

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.

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

ICRA Limited



Registered Office

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



Branches



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