

May 24, 2017

Invesco Asset Management (India) Private Limited

Summary of rated instruments

Instrument*	Rating Action
Invesco India Active Income Fund	[ICRA]AAAmfs; reaffirmed
Invesco India Bank Debt Fund	[ICRA]AAAmfs; reaffirmed
Invesco India Short Term Fund	[ICRA]AAAmfs; reaffirmed
Invesco India Ultra Short Term Fund	[ICRA]AAAmfs; reaffirmed
Invesco India Credit Opportunities Fund	[ICRA]A1+mfs; reaffirmed

*Instrument details are provided in Annexure-1

Rating action

ICRA has reaffirmed the credit risk rating of [ICRA]AAAmfs (pronounced ICRA triple A m f s) to Invesco India Active Income Fund, Invesco India Bank Debt Fund, Invesco India Short Term Fund and Invesco India Ultra Short Term Fund. 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. ICRA has also reaffirmed the credit risk rating of [ICRA]A1+mfs (pronounced ICRA A one plus m f s) to Invesco India Credit Opportunities Fund. Schemes with this rating are considered to have very strong degree of safety regarding timely receipt of payments from the investments that they have made. The ratings should, however, not be construed as an indication of the prospective performance of the mutual fund scheme or of volatility in its returns¹.

Rationale

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 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.

The reaffirmation of ratings of the debt schemes follows ICRA's monitoring of the credit risk profile of the month end portfolio position for these schemes. The credit risk scores for these schemes were comfortably within the benchmark limits for their current level of ratings.

Analytical approach:

For arriving at the ratings for the debt schemes, ICRA has assessed the credit risk profile of the month end portfolio position for these schemes for the past 12 months.

¹ For complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications

Links to applicable criteria:

Rating Methodology for Mutual Funds

About the company:**Invesco Asset Management (India) Private Limited**

Invesco Mutual Fund (erstwhile Religare Mutual Fund) is managed by Invesco Asset Management (India) Private Limited (erstwhile Religare Invesco Asset Management Company Private Limited). The AMC was incorporated in May 2005 as a subsidiary of Religare Securities Limited (RSL), which in turn is a wholly-owned subsidiary of Religare Enterprises Limited (REL), and the mutual fund was set up in July 2006. The AMC was earlier known as Lotus India Asset Management Company, which was acquired by RSL in December 2008 and subsequently, the name of the company was changed to Religare Asset Management Company Limited. The 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 JV to Invesco Limited in April 2016, and the name of the company was again changed to Invesco Asset Management (India) Private Limited. The AMC's average asset base stood at Rs. 23,528² crore for the quarter ending March 31, 2017.

Invesco India Active Income Fund

Launched in July 2007, Invesco India Active Income Fund is an open ended income fund with a stated investment objective to generate optimal returns while maintaining liquidity through active management of the portfolio by investing in debt and money market instruments. The fund's assets under management stood at Rs. 62 crore with an average residual maturity of ~8.5 years as on April 30, 2017.

Invesco India Bank Debt Fund

Launched in December 2012, Invesco India Bank Debt Fund is an open ended debt scheme with a stated investment objective to generate optimal returns by investing in a portfolio of debt and money market instruments issued primarily by banks. The fund's assets under management stood at Rs. 268 crore and an average residual maturity of less than 1 year as on April 30, 2017.

Invesco India Short Term Fund

Launched in March 2007, Invesco India Short Term Fund is an open ended income fund with a stated investment objective to generate steady returns with a moderate risk for investors by investing in a portfolio of short-medium term debt and money market instruments. The fund's assets under management stood at Rs. 4,199 crore with an average residual maturity of ~3 years as on April 30, 2017.

Invesco India Ultra Short Term Fund

Launched in January 2007, Invesco India Ultra Short Term Fund is an open ended income fund with a stated investment objective to provide liquidity and optimal returns to the investors by investing primarily in a mix of short term debt and money market instruments. The fund's assets under management stood at Rs. 2,671 crore with an average residual maturity of ~10 months as on April 30, 2017.

Invesco India Credit Opportunities Fund

Launched in August 2009, Invesco India Credit Opportunities Fund is an open ended income fund which aims to provide regular income over the short and medium term and to provide a higher level of current income than treasury bills by investing in investment grade low duration debt securities and money market instruments. The fund's assets under management stood at Rs. 916 crore with an average residual maturity of ~1 month as on April 30, 2017.

² Excluding "Fund of Funds – Domestic" but including "Fund of Funds – Overseas"

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years:

Table:

Sr. No.	Scheme	Current Rating (FY2018)			Chronology of rating history for the past 3 years				
		Type	Rated Amount	May 2017	FY2017	FY2016	FY2015		
					May 2016	Nov 2015	Feb 2015	Aug 2014	June 2014
1	Invesco India Active Income Fund	Long Term	-	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
2	Invesco India Bank Debt Fund	Long Term	-	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
3	Invesco India Short Term Fund	Long Term	-	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
4	Invesco India Ultra Short Term Fund	Long Term	-	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	-	-
5	Invesco India Credit Opportunities Fund	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+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

Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Rated Amount (Rs. crore)	Current Rating and Outlook
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.

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