

August 02, 2017

DSP BlackRock Investment Managers Private Limited

Summary of rated instruments

Instrument*	Rating Action
DSP BlackRock Short Term Fund	[ICRA]AAAmfs; reaffirmed
DSP BlackRock Liquidity Fund	[ICRA]AAAmfs; reaffirmed
DSP BlackRock Banking & PSU Debt Fund	[ICRA]AAAmfs; reaffirmed
DSP BlackRock Strategic Bond Fund	[ICRA]AAAmfs; reaffirmed
DSP BlackRock Money Manager Fund	[ICRA]AAAmfs; 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 DSP BlackRock Short Term Fund, DSP BlackRock Liquidity Fund, DSP BlackRock Banking & PSU Debt Fund, DSP BlackRock Strategic Bond Fund and DSP BlackRock Money Manager Fund of DSP BlackRock Investment Managers Private Limited (the AMC). The schemes with [ICRA]AAAmfs rating are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made.

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 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 for the last 12 months. 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, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[Rating Methodology for Mutual Funds](#)

About the company:**DSP BlackRock Investment Managers Private Limited**

DSP BlackRock Investment Managers Private Ltd. is the asset management company (AMC) to DSP BlackRock Mutual Fund (Fund). The Fund was established as a Trust under the Indian Trusts Act, 1882 with DSP ADIKO Holdings Pvt. Ltd., DSP HMK Holdings Pvt. Ltd. and BlackRock Inc. as the sponsors. The AMC had average assets under management (AUM)¹ of Rs. 70,991 crore for the quarter ended June 30, 2017.

DSP BlackRock Short Term Fund

Launched in September 2002, DSP BlackRock Short Term Fund is an open ended income scheme which aims to generate returns commensurate with the risk, from a portfolio consisting of money market securities and debt securities. The scheme's AUM stood at Rs. 2,853 crore as on June 30, 2017 and had an average residual maturity of around 2.7 years as on that date.

DSP BlackRock Liquidity Fund

Launched in March 1998, DSP BlackRock Liquidity Fund is an open ended income scheme which aims to generate reasonable returns commensurate with low risk and a high degree of liquidity, from a portfolio consisting of money market securities and high quality debt securities. The scheme's AUM stood at Rs. 12,248 crore as on June 30, 2017 and had an average residual maturity of around 2 months as on that date.

DSP BlackRock Banking & PSU Debt Fund

Launched in September 2013, DSP BlackRock Banking & PSU Debt Fund is an open ended income scheme which aims to generate income and capital appreciation by primarily investing in a portfolio of high quality debt and money market securities issued by banks and public sector entities/undertakings. The scheme's AUM stood at Rs. 1,717 crore as on June 30, 2017 and had an average residual maturity of around 3.9 years as on that date.

DSP BlackRock Strategic Bond Fund

Launched in April 2007, DSP BlackRock Strategic Bond Fund is an open ended income scheme with an investment objective to generate optimal returns with high liquidity through active management of the portfolio of high quality debt and money market securities. The scheme's AUM stood at Rs. 2,227 crore as on June 30, 2017 and had an average residual maturity of around 9.1 years as on that date.

DSP BlackRock Money Manager Fund

Launched in July 2006, DSP BlackRock Money Manager Fund is an open ended income scheme, that aims to generate returns commensurate with risk from a portfolio constituted of money market securities and debt securities. The scheme's AUM stood at Rs. 3,692 crore as on June 30, 2017 and had an average residual maturity of around 6 months as on that date.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

¹ Excludes AUM under Fund of Funds

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	Aug 2017	FY2017		FY2016	FY2015
					Sep 2016	Aug 2016	Dec 2015	Nov 2014
1	DSP BlackRock Short Term Fund	Long Term	-	[ICRA] AAAmfs	[ICRA] AAAmfs	-	-	-
2	DSP BlackRock Liquidity Fund	Long Term	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	-	-
3	DSP BlackRock Banking & PSU Debt Fund	Long Term	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
4	DSP BlackRock Strategic Bond Fund	Long Term	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
5	DSP BlackRock Money Manager Fund	Long Term	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs

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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