

June 04, 2019

## DSP Investment Managers Private Limited: Ratings Reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
DSP Ultra Short Fund	-	-	[ICRA]AAAams; reaffirmed
DSP Savings Fund	-	-	[ICRA]AAAams; reaffirmed
DSP Short Term Fund	-	-	[ICRA]AAAams; reaffirmed
DSP Liquidity Fund	-	-	[ICRA]AAAams; reaffirmed
DSP Banking & PSU Debt Fund	-	-	[ICRA]AAAams; reaffirmed
DSP Strategic Bond Fund	-	-	[ICRA]AAAams; reaffirmed

\*Instrument details are provided in Annexure-1

### Rationale and key rating drivers

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.

### Liquidity Position: Not Applicable

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA- Mutual Fund Credit Risk Rating Methodology</a>
Parent/Group Support	Not applicable
Consolidation	Not applicable

### About the company:

#### DSP Investment Managers Private Limited

DSP Investment Managers Private Ltd. is the asset management company (AMC) to DSP 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. In August 2018, BlackRock Inc. has completed its exit from the AMC after DSP

---

Group bought out Blackrock's 40% stake in the AMC. Post this transaction, AMC has been renamed to DSP Investment Managers Private Limited (from DSP BlackRock Investment Managers Private Limited) and MF has been renamed to DSP Mutual Fund (from DSP BlackRock Mutual Fund). The AMC had average assets under management (AUM) of Rs. 78,363 crore for the quarter ended March 31, 2019.<sup>1</sup>

### **DSP Savings Fund**

DSP Savings Fund is an open-ended debt fund with an investment objective to generate returns through investment in a portfolio comprising of money market instruments with maturity less than or equal to 1 year. The scheme's AUM stood at Rs. 1,159 crore as on April 30, 2019 and had an average residual maturity of around 0.85 years as on that date.

### **DSP Short Term Fund**

Launched in September 2002, DSP 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. 2,539 crore as on April 30, 2019 and had an average residual maturity of around 2.2 years as on that date.

### **DSP Liquidity Fund**

Launched in March 1998, DSP 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. 9,653 crore as on April 30, 2019 and had an average residual maturity of around 1.4 months as on that date.

### **DSP Banking & PSU Debt Fund**

Launched in September 2013, DSP 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. 1,646 crore as on April 30, 2019 and had an average residual maturity of around 2.7 years as on that date.

### **DSP Strategic Bond Fund**

Launched in April 2007, DSP 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. 951 crore as on April 30, 2019 and had an average residual maturity of around 4.3 years as on that date.

### **DSP Ultra Short Fund**

Launched in July 2006, DSP Ultra Short Fund (erstwhile 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. 3,595 crore as on April 30, 2019 and had an average residual maturity of around 4.9 months as on that date.

---

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

**Key financial indicators: Not applicable**

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

**Rating history for last three years:**

Instrument	Type	Current Rating (FY2020)		Chronology of Rating History for the past 3 years								
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	June 2019	FY2020	FY2019	FY2018		FY2017			
					May 2019	Oct 2018	May 2018	Mar 2018	Aug 2017	Sep 2016	Aug 2016	
1 DSP Ultra Short Fund	Long Term	-	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs&	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
2 DSP Savings Fund	Long Term	-	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	-	-	-
3 DSP Short Term Fund	Long Term	-	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	-
4 DSP Liquidity Fund	Long Term	-	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
5 DSP Banking & PSU Debt Fund	Long Term	-	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
6 DSP Strategic Bond Fund	Long Term	-	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs

*& Under Rating Watch with Developing Implications*

**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](http://www.icra.in)

### Annexure-1: Instrument Details

ISIN No	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

## ANALYST CONTACTS

**Karthik Srinivasan**

+91 22 6114 3444

[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Neha Parikh**

+91 22 6114 3426

[neha.parikh@icraindia.com](mailto:neha.parikh@icraindia.com)

**Parvathy S**

+91 22 6114 3428

[parvathy.s@icraindia.com](mailto:parvathy.s@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

### Helpline for business queries:

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

[info@icraindia.com](mailto: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](http://www.icra.in)

## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2019 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents