

Tata Asset Management Limited (Revised)

May 31, 2022

Ratings

Scheme Name	Scheme Type	Rating ¹	Rating Action
Tata Banking and PSU Debt Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
Tata Floating Rate Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
Tata Liquid Fund	Open-Ended Liquid Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
Tata Money Market Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
Tata Treasury Advantage Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the credit quality ratings assigned to Tata Banking and PSU Debt Fund, Tata Floating Rate Fund, Tata Liquid Fund, Tata Money Market Fund, and Tata Treasury Advantage Fund. These funds are managed by Tata Asset Management Limited.

Schemes rated 'CARE AAAmfs' are considered to have highest degree of safety regarding timely receipt of payments from the investments that they have made.

CARE Ratings' fund credit quality ratings are opinions on the overall credit quality of the specific debt mutual fund scheme. CARE Ratings' fund credit quality rating is not a recommendation to purchase, sell, or hold a security/fund. It neither comments on the current market price, suitability for a particular investor nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the fund's ability to meet the payment obligations to the investors.

The fund ratings capture the fund's overall exposure to default risk. CARE Ratings' fund credit quality ratings are based on evaluation of the fund's investment strategy and portfolio credit risk. It also involves evaluation of the credit quality of individual assets as well as the diversification of the portfolio. CARE Ratings uses the concept of credit scores, assigned to individual securities, as per the credit scoring matrix developed by CARE Ratings.

CARE Ratings reviews the rated mutual fund schemes on an ongoing basis to support its published rating opinions. As such, the monthly reports of the funds are examined. While the fund has to maintain the fund credit score within the benchmark fund scores, in a particular month, if the fund credit score breaches the benchmark, CARE Ratings generally provides one month to the asset management company (AMC) to realign the score. The credit scores of the above five schemes have been calculated based on the portfolio outstanding as on April 30, 2022, and are within the benchmarks set by CARE Ratings.

Analytical approach

Assessment of underlying credit quality of the debt schemes.

Applicable criteria

[CARE Ratings' fund credit quality rating criteria](#)

About the funds

Tata Banking and PSU Debt Fund: Tata Banking and PSU Debt Fund is an open-ended debt scheme with an objective to generate reasonable income, with low risk and high level of liquidity from a portfolio of predominantly debt and money market securities issued by banks, public sector undertakings (PSUs), public financial institutions (PFIs), and municipal bonds. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved. The scheme does not assure or guarantee any returns. The fund's assets under management (AUM) stood at ₹315 crore as on April 30, 2022.

Tata Floating Rate Fund: Tata Floating Rate Fund was launched by Tata Asset Management Limited in July 2021. It is an open-ended debt scheme investing predominantly in floating rate instruments (including fixed-rate instruments converted to floating rate exposures using swaps or derivatives). The objective of the scheme is to generate income through investments primarily in floating rate debt instruments, fixed-rate debt instruments swapped for floating rate returns, and money market instruments.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE publications

However, there is no guarantee or assurance that the investment objective of the scheme will be achieved. The scheme does not assure or guarantee any returns. The fund's assets under management stood at ₹546 crore as on April 30, 2022.

Tata Liquid Fund: Tata Liquid Fund was launched by in August 2004. The investment objective is to generate reasonable returns with high liquidity to the unit-holders. The fund's assets under management (AUM) stood at ₹13,843 crore as of April 30, 2022.

Tata Money Market Fund: Tata Money Market Fund was launched by TATA Asset Management Limited in August 1998. The investment objective of the scheme is to generate reasonable returns with high liquidity to the unitholders by investing in money market instruments. The fund's asset under management (AUM) stood at ₹9,969.44 crore as on April 30, 2022.

Tata Treasury Advantage Fund: Tata Treasury Advantage Fund is an open ended low duration debt scheme investing in instruments such that the Macaulay duration of portfolio is between 6 six months and 12 months. The investment objective of the scheme is to generate regular income and capital appreciation by investing in a portfolio of debt and money market instruments with relatively lower interest rate risk. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved. The scheme does not assure or guarantee any returns. The fund's asset under management (AUM) stood at ₹2,515.48 crore as on April 30, 2022.

About the company

Tata Asset Management Ltd. (TAML), the investment managers of Tata Mutual Fund, is jointly sponsored by Tata Sons Limited (TSL) and Tata Investment Corporation Limited (TICL). TAML is part of the Tata group. The AMC has reported average assets under management (AAUM) for schemes of Tata Mutual Fund as ₹86,713 crore for the quarter ended March 31, 2022.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Tata Banking and PSU Debt Fund	-	-	-	-	-	CARE AAAMfs [Triple A mfs]
Tata Floating Rate Fund	-	-	-	-	-	CARE AAAMfs [Triple A mfs]
Tata Liquid Fund	-	-	-	-	-	CARE AAAMfs [Triple A mfs]
Tata Money Market Fund	-	-	-	-	-	CARE AAAMfs [Triple A mfs]
Tata Treasury Advantage Fund	-	-	-	-	-	CARE AAAMfs [Triple A mfs]

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1.	Tata Banking and PSU Debt Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs	1) CARE AAA mfs	1) CARE AAA mfs

						(June 02, 2021)	(June 04, 2020)	(March 12, 2020)
2.	Tata Liquid Fund	Open-Ended Liquid Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (June 04, 2020)	1) CARE AAA mfs (March 12, 2020) 2) CARE AAA mfs (July 02, 2019) 3) CARE AAA mfs (June 11, 2019)
3.	Tata Money Market Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (June 04, 2020)	1) CARE AAA mfs (March 12, 2020) 2) CARE AAA mfs (July 02, 2019) 3) CARE AAA mfs (June 03, 2019)
4.	Tata Treasury Advantage Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (June 04, 2020)	1) CARE AAA mfs (March 12, 2020)
5.	Tata Floating Rate Fund	Open Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (October 21, 2021)		

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities

Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No	Name of Instrument	Complexity Level
1	Credit Quality Rating	Simple

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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