



Infomerics Valuation And Rating Pvt. Ltd.

Press Release

Kotak FMP Series 236 (Kotak Mahindra Asset Management Company)

July 17, 2018

Rating

| Scheme Name | Rating | Rating Action |
|----------------------|---------------------------------|---------------|
| Kotak FMP Series 236 | IVR A1+mfs (IVR A One Plus mfs) | Assigned |

Details of Instrument / Facility are in Annexure 1

Infomerics has assigned the credit quality rating of 'IVR A1+mfs' (pronounced IVR A One Plus mfs) to Kotak FMP Series 236 of Kotak Mahindra Asset Management Company (the AMC). The 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 rating indicates INFOMERICS' opinion on the credit quality of the underlying portfolio of debt securities that are held by the fund. The rating pertains to the specific Debt Mutual Fund scheme. The rating does not indicate the AMC's willingness, or ability, to make timely payments to the fund's investors. The rating is also not an opinion on the fund's prospective performance, net asset value (NAV) or yield of the fund. The NAV may vary with developments in the market.

Rating Rationale

The rating derives comfort from the credit worthiness of the underlying portfolio to be maintained. The credit scores are assigned to the individual securities as per the credit worthiness of the security. The credit scores are then multiplied by the proportion of the security in the scheme to arrive at the weighted average credit score. The rating of the fund is primarily driven by the weighted average credit score. Apart from this, the assigned rating also takes in to account the quality of investment manager (AMC) and strength of the sponsor.

List of Key Rating Drivers

- **Credit worthiness of the underlying portfolio**
- **Quality of the AMC**



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➤ Strength of the sponsor

Analytical Approach and Applicable Criteria: Credit Quality Rating Methodology for Mutual Funds

About the Fund

This Scheme – Kotak FMP Series 236, is a close ended scheme. The scheme is a Fixed Maturity Plan (FMP) scheme with a term of 95 days, which would be invested primarily in commercial papers. The investment objective of the fund is to generate returns through investments in debt and money market instruments with a view to reduce the interest rate risk. The units of the scheme can be traded on the stock exchange, post listing. On maturity the redemption will be at the applicable NAV.

About the AMC

Kotak Mahindra Asset Management Company Limited (KMAMC), a wholly owned subsidiary of Kotak Mahindra bank Limited (KMB), is the Asset Manager for the mutual fund schemes of Kotak Mahindra Mutual Fund (KMMF). KMAMC started operations in December 1998 and has approximately 7.5 Lac investors in various schemes. KMMF offers schemes catering to investors with varying risk – return profiles and was the first fund house in the country to launch a dedicated gilt scheme investing only in government securities. The company is present in 80 cities and has 84 branches. The average AUM of Kotak Mahindra AMC stood at Rs.1,24,691 crore during March 2018 quarter.

About the sponsor

The sponsor is Kotak Mahindra bank Limited (KMB). KMB is one of the top private sector banks in the country. It has a loan portfolio of Rs.1,69,718 crore and a net worth of Rs.37,482 crore as on March 31, 2018. The total revenue of KMB was Rs.23,801 crore and PAT of Rs.4,084 crore in FY18.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil



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Rating History for last three years:

| Scheme Name | Current Ratings (2018-19) | | | Rating History | | |
|----------------------|---------------------------|---------------------------------|------------|---|---|---|
| | Type | Amount Outstanding (Rs. Crores) | Rating | Date & Rating Press Release Assigned in 2017-18 | Date & Rating Press Release Assigned in 2016-17 | Date & Rating Press Release Assigned in 2015-16 |
| Kotak FMP Series 236 | Short Term | - | IVR A1+mfs | Nil | Nil | Nil |

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Instrument / Facility

| Scheme Name | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crores) | Rating Assigned/ Outlook |
|----------------------|-------------------------|-------------------------|----------------------|--------------------------------------|---------------------------------|
| Kotak FMP Series 236 | - | - | - | - | IVR A1+mfs |