July 02, 2021

ICICI Prudential Asset Management Company Limited: Ratings reaffirmed for existing schemes; withdrawn for ICICI Prudential FMP Series 82-1185 Days Plan I

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
ICICI Prudential Short Term Fund	-	-	[ICRA]AAAmfs; reaffirmed
ICICI Prudential FMP Series 82-1185 Days Plan I	-	-	[ICRA]AAAmfs; withdrawn
ICICI Prudential Banking and PSU Debt Fund	-	-	[ICRA]AAAmfs; reaffirmed
ICICI Prudential Corporate Bond Fund			[ICRA]AAAmfs; reaffirmed
ICICI Prudential Savings Fund			[ICRA]AAAmfs; reaffirmed
ICICI Prudential Money Market Fund			[ICRA]AAAmfs; reaffirmed
ICICI Prudential Liquid Fund			[ICRA]AAAmfs; reaffirmed
ICICI Prudential Overnight Fund			[ICRA]A1+mfs; reaffirmed
Total	**-**	**-**	

**Instrument details are provided in Annexure-1*

Rationale and key rating drivers

ICRA has withdrawn the rating for ICICI Prudential FMP Series 82-1185 days Plan I scheme. The rating has been withdrawn as the scheme has matured and the units have been redeemed. The withdrawal is in accordance with ICRA's policy on withdrawal and suspension.

The ratings have been reaffirmed for remaining schemes following ICRA's monitoring of the credit risk profile of the month-end portfolio position of these schemes. The credit risk scores for these schemes were comfortably within the benchmark limits for their current rating levels.

Mutual fund ratings incorporate ICRA's assessment of the creditworthiness of a debt mutual fund scheme's investment portfolio. These ratings are a symbolic representation of the credit risk in the underlying investments or the degree of safety regarding the timely receipt of payments from the investments that have been made by the mutual fund schemes. The ratings do not indicate the asset management company's (AMC) and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The ratings do not address the market risks and hence should not be construed as an indication of the expected returns, the prospective performance of the mutual fund scheme, and the ability to redeem the investments at the reported net asset value (NAV) or the volatility in its past returns as all these are influenced by market risks.

ICRA's assessment of debt mutual fund schemes are guided by the credit ratings of the individual investments, the relative share of the investments in the overall assets under management (AUM) of the scheme and the maturity schedule of such investments. The credit matrix is a tool used by ICRA for analysing the investment portfolio of the debt mutual fund schemes by assessing the portfolio's aggregate credit quality while reviewing the credit quality of each underlying debt security. The portfolio's weighted average credit quality is then measured against the appropriate benchmark credit score in the credit matrix.

Once a mutual fund scheme is rated and the rating is accepted, ICRA reviews the underlying investment portfolios for the credit scores on an ongoing basis. If the portfolio credit score meets the benchmark of the existing rating, the rating is retained. If the portfolio credit score breaches the benchmark credit matrix score for the current rating, ICRA communicates the same to the fund manager/product manager or other officials of the concerned AMC and may provide a month's time to bring the portfolio credit score within the benchmark credit score for the current rating level. If the investment composition of the fund is realigned to bring the portfolio credit score within the benchmark credit score, the rating is retained. However, if the portfolio continues to breach the benchmark credit score for the existing rating level, the rating is revised to reflect the change in the portfolio's credit quality. In case of sharp breaches of the benchmark credit score (for instance due to a multi-notch downgrade in the underlying investment) and/or if ICRA believes that the breach may not get rectified within a month of the ongoing review, the rating is generally corrected immediately without giving a month's time for rebalancing the portfolio.

Liquidity position: Not applicable

Rating sensitivities

Positive factors – Not applicable

Negative factors – ICRA could downgrade the ratings of the schemes if the credit quality of the underlying investment deteriorates or the size of the AUM declines, which may result in an increase in the share of the lower rated investments, leading to a breach in the threshold for the rating level.

Negative factors for ICICI Prudential Overnight Fund- ICRA could downgrade the rating of the scheme if the credit quality of the underlying investment deteriorates, leading to a breach in the threshold for the rating level.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA- Mutual Fund Credit Risk Rating Methodology Policy on withdrawal and suspension of credit ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	Not applicable

About the company

ICICI Prudential Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by ICICI Bank and Prudential Plc, with ICICI Prudential Trust Limited as the Trustee Company and ICICI Prudential Asset Management Company Limited as the investment manager. ICICI Prudential Asset Management Company Ltd is a joint venture between ICICI Bank (51% holding) (one of the largest private sector bank in India) and Prudential Plc (49% holding) one of United Kingdom's largest players in the financial services sectors.

ICICI Pru MF had average assets under management (including funds of funds) of Rs. 4,05,406[1] crore as on March 31, 2021 (compared to Rs. 3,29,327[1] crore as of March 31, 2020).

ICICI Prudential Short-Term Fund

Launched on October 25, 2001, ICICI Prudential Short Term Fund is an open-ended short-term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 1 year and 3 years . The fund's AUM stood at Rs. 20,015 crore as on May 31, 2021 with an average maturity of 4.32 years.

ICICI Prudential FMP Series 82-1185 Days Plan I

Launched on February 06, 2018, ICICI Prudential FMP Series 82-1185 Days Plan I is a close ended low duration debt scheme investing in instruments maturing on or before the maturity of the scheme. The fund's AUM stood at Rs. 1,108 crore as of April 30, 2021 with an average maturity of 0.01 years on that date. However, the scheme got matured in May 2021.

ICICI Prudential Banking and PSU Debt Fund

[1] https://www.amfiindia.com/research-information/aum-data/average-aum

Launched on January 01, 2010, ICICI Prudential Banking and PSU Debt Fund is an open-ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds. The fund's AUM stood at Rs. 13,920 crore as of May 31, 2021 with an average maturity of 5.91 years on that date.

ICICI Prudential Corporate Bond Fund

Launched on June 12, 2009, ICICI Prudential Corporate Bond Fund is an open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds. The fund's AUM stood at Rs. 19,871 crore as of May 31, 2021 with an average maturity of 3.45 years on that date.

ICICI Prudential Savings Fund

Launched on September 27, 2002, ICICI Prudential Savings Fund is an open-ended low duration debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 6 months and 12 months. The fund's AUM stood at Rs. 30,234 crore as of May 31, 2021 with an average maturity of 3.69 years.

ICICI Prudential Money Market Fund

Launched on March 6, 2002, ICICI Prudential Money Market Fund is an open-ended debt scheme investing in money market instruments. The fund's AUM stood at Rs. 14,104 crore as of May 31, 2021 with an average maturity of 0.36 years on that date.

ICICI Prudential Liquid Fund

Launched on June 24, 1998, ICICI Prudential Liquid Fund is an open-ended liquid Scheme. The fund's AUM stood at Rs. 36,601 crore as of May 31, 2021 with an average maturity of 0.13 years on that date.

ICICI Prudential Overnight Fund

Launched on November 15, 2018, ICICI Prudential Overnight Fund is an open-ended Debt scheme investing in overnight securities. The fund's AUM stood at Rs. 10,194 crore as of May 31, 2021.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Scheme	Type	Current Rating (FY2022)			Chronology of Rating History for the Past 3 Years					
			Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	FY2022 Jul-02- 2021	FY2021 Jul-06-2020	FY2020 Jan-03-2020	Sep-06-2019	Jul-31-2019	Jun-19-2019	Jun-14-2019
1	ICICI Prudential Short Term Fund	Long Term	-	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs
2	ICICI Prudential FMP Series 82-1185 Days Plan I	Long Term	-	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs
3	ICICI Prudential Banking and PSU Debt Fund	Long Term	-	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs
4	ICICI Prudential Corporate Bond Fund	Long Term	-	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs
5	ICICI Prudential Savings Fund	Long Term	-	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs
6	ICICI Prudential Money Market Fund	Long Term	-	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs
7	ICICI Prudential Liquid Fund	Long Term	-	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]AAA mfs	-
8	ICICI Prudential Overnight Fund	Short Term	-	-	[ICRA]A1+ mfs	[ICRA]A1+ mfs	[ICRA]A1+ mfs	[ICRA]A1+ mfs	[ICRA]A1+ mfs	[ICRA]A1+ mfs	[ICRA]A1+ mfs

Complexity level of the rated instrument

Instrument Name	Complexity Indicator
Mutual Fund	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: 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

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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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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