

June 12, 2025

## Groww Mutual Fund: [ICRA]A1+mfs assigned to Groww Liquid Fund and [ICRA]AAAmfs assigned to Groww Short Duration Fund

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Groww Liquid Fund	-	[ICRA]A1+mfs; assigned
Groww Short Duration Fund	-	[ICRA]AAAmfs; assigned
<b>Total</b>	-	

\*Instrument details are provided in Annexure I

### Rationale and key rating drivers

ICRA has assigned an [ICRA]A1+mfs rating to Groww Liquid Fund of Groww Mutual Fund, which is managed by Groww Asset Management Limited (the asset management company; AMC). As per the Scheme Information Document (SID) filed with the Securities and Exchange Board of India (SEBI), Groww Liquid Fund is an open-ended liquid scheme with the investment objective of providing a high level of liquidity with returns commensurate with low risk through a portfolio of money market and debt securities. ICRA has also assigned an [ICRA]AAAmfs rating to Groww Short Duration Fund. As per the SID filed with SEBI, this is an open-ended short-term debt scheme with the investment objective of generating stable returns over the short term with a low-risk strategy while maintaining liquidity through a portfolio comprising debt and money market instruments. The credit risk scores for the schemes, based on their allocated portfolios, were comfortably within the benchmark limits for their assigned rating levels.

Mutual fund (MF) ratings incorporate ICRA's assessment of the creditworthiness of a debt MF 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 made by these schemes. The ratings do not indicate the AMC's and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The ratings do not address market risks and hence should not be construed as an indication of the expected returns, prospective performance of the MF scheme, and the ability to redeem investments at the reported net asset value (NAV) or volatility in its past returns, as all these are influenced by market risks.

ICRA's assessment of debt MF schemes is guided by the credit ratings of the individual investments and the relative share of the schemes' allocation towards the investments, besides the maturity schedule of such investments. ICRA's MF ratings are not a reflection of the quality of the management of the AMC or its financial performance, reputation and other business practices including investment strategies, pricing, marketing and distribution activities. Furthermore, the ratings are not a reflection of whether the AMC or the fund is compliant with the applicable regulatory requirements.

The credit matrix is a tool used by ICRA for analysing the investment portfolio of the debt MF 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 compared with a benchmark credit score corresponding to the higher of the weighted average maturity of the scheme's portfolio or the maturity predefined by ICRA for the scheme category. The rating outcome corresponds to the rating level for which the portfolio's weighted average credit score is less than the benchmark credit score associated with the rating level. Further, the lowest rating of the investments of the scheme acts as the floor for its rating.

Once an MF scheme is rated and the rating is accepted, ICRA reviews the underlying investment portfolios for the credit scores on an ongoing basis. To this end, ICRA relies on the information provided by the AMC and/or publicly available sources. ICRA reviews the MF ratings on a monthly basis or earlier, if required, which involves an evaluation of the rating corresponding to the portfolio credit score in relation to the existing rating outstanding. If the portfolio credit score meets the benchmark score for the existing rating, the rating is retained. If the portfolio credit score has a negative breach from the benchmark credit score for the existing 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 maintaining the existing 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. If the AMC corrects its portfolio, post the rating downgrade of the scheme, or the credit score improves in any manner subsequent to the downgrade, making the scheme eligible for an upgrade, ICRA may consider a rating upgrade only if the credit score is maintained consistently for a period of at least three months.

## 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 investments deteriorates or the size of the assets under management (AUM) declines, which may result in an increase in the share of lower rated investments, leading to a breach in the threshold for the rating level.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Mutual Fund Credit Risk Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

## About the company

Groww Mutual Fund is sponsored by Billionbrains Garage Ventures Limited (BGV), a technology company offering online web and app platform services. Groww Asset Management Limited (Groww AMC) acts as the investment manager of the fund and is registered with the Securities and Exchange Board of India (SEBI) under SEBI (Mutual Fund) Regulations, 1996. Groww AMC's average assets under management (AUM) during the quarter ended March 2025 stood at Rs. 1,547 crore compared to Rs. 658 crore during the quarter ended March 2024.

In May 2023, Groww Invest Tech Private Limited (a subsidiary of BGV, previously known as Nextbillion Technology Private Limited) acquired the mutual fund business of Indiabulls Asset Management Company Limited (IAMCL), which was incorporated in April 2008. Post regulatory approvals, IAMCL was rechristened Groww AMC, which manages the investment portfolio of Groww Mutual Fund and provides various administrative services to the fund and the trustee company.

### Groww Liquid Fund

Launched in October 2011, Groww Liquid Fund is an open-ended debt scheme that invests in debt and money market instruments with a maturity of up to 91 days. The scheme has a relatively low interest rate and moderate credit risk. The investment objective is to provide a high level of liquidity with returns commensurate with low risk. The scheme's AUM stood at Rs. 142 crore as on April 30, 2025.

### Groww Short Duration Fund

Launched in September 2013, Groww Short Duration Fund is an open-ended debt scheme that invests in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years. The scheme has moderate interest rate and moderate credit risk. The investment objective is to generate stable returns over the short term with a low risk strategy while maintaining liquidity through a portfolio comprising debt and money market instruments. The scheme's AUM stood at Rs. 67 crore as on April 30, 2025.

**Key financial indicators: Not applicable**

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

**Any other information: None**

### Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	June 12, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Groww Liquid Fund	Short term	-	[ICRA]A1+mfs	-	-	-	-	-	-
Groww Short Duration Fund	Long term	-	[ICRA]AAAmfs	-	-	-	-	-	-

### Complexity level of the rated instruments: 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: [Click here](#)

**Annexure I: Instrument details**

Not applicable

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

## ANALYST CONTACTS

**Karthik Srinivasan**

+91 22 6114 3444

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

**Sohil Mehta**

+91 22 6114 3449

[sohil.mehta@icraindia.com](mailto:sohil.mehta@icraindia.com)

**Komal M Mody**

+91 124 6114 3243

[komal.mody@icraindia.com](mailto:komal.mody@icraindia.com)

**Anil Gupta**

+91 124 4545 314

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

**Rushabh Gohel**

+91 22 6114 3427

[rushabh.gohel@icraindia.com](mailto:rushabh.gohel@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)

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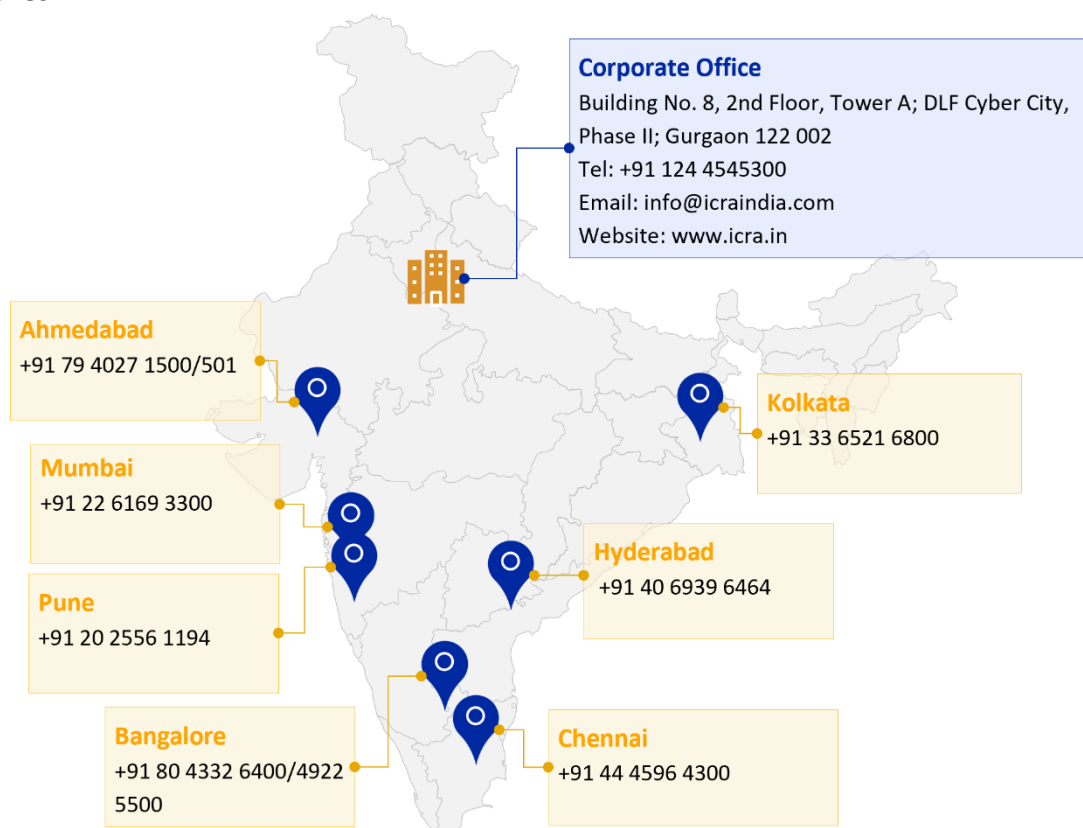
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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