July 06, 2020

ICICI Prudential Asset Management Company Limited: Ratings reaffirmed

Summary of rating actions

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; reaffirmed
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	-	-	-

Rationale and key rating drivers

The ratings have been reaffirmed 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 triggers – Not applicable.
Negative triggers – ICRA could downgrade the rating of schemes if the credit quality of the underlying investment deteriorates or the size of AUM declines, which may result in an increase in the share of lower rated investments and lead 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
Parent/Group Support	Not applicable
Consolidation/Standalone	Not applicable

About the company

ICICI Prudential Asset Management Company Limited (ICICI Pru AMC) is the asset management company for the ICICI Prudential Mutual Fund (ICICI Pru MF). It is a joint venture between ICICI Bank and Prudential Plc, UK. ICICI Pru MF had AUM of Rs. Rs. 3,26,291 crore as of June 30, 2020 compared to Rs. 3,37,287 crore as of June 30, 2019.

ICICI Prudential Short-Term Fund

Launched on October 25, 2001, ICICI Prudential Short Term Fund is an open-ended short-term debt scheme. The fund's AUM stood at Rs. 13,649 crore as on May 31, 2020 with an average maturity of 3.84 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. 1,094 crore as of May 31, 2020 with an average maturity of 0.79 years on that date.

ICICI Prudential Banking and PSU Debt Fund

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. 10,476 crore as of May 31, 2020 with an average maturity of 4.76 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 to at least 80% of the corpus. The fund's AUM stood at Rs. 12,707 crore as of May 31, 2020 with an average maturity of 3.52 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. The fund's AUM stood at Rs. 18,250 crore as of May 31, 2020 with an average maturity of 1.16 years.

ICICI Prudential Money Market Fund

Launched on March 6, 2002, ICICI Prudential Money Market Fund is an open-ended debt scheme. The fund's AUM stood at Rs. 6,849 crore as of May 31, 2020 with an average maturity of 0.63 years on that date.

ICICI Prudential Liquid Fund

Launched on June 24, 1998, ICICI Prudential Liquid Fund is an open-ended liquid Scheme which focuses on accrual income by endeavoring to invest predominantly in money market instruments with maturity of up to maximum 91 days. The fund's AUM stood at Rs. 57,566 crore as of May 31, 2020 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 maturing on or before the next business day. The fund's AUM stood at Rs. 10,566 crore as of May 31, 2020.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

SN	Instrument	Current Rating				Chronology of Rating History for the Past 3 Years										
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	FY2021	FY2020					FY2019				FY2018	
					06-Jul-20	30-Dec-19	06-Sep-19	31-Jul-19	19-Jun-19	14-Jun-19	13-Feb-19	04-Sep-18	19-Jul-18	29-May-18	05-Feb-18	29-Jun-17
1	ICICI Prudential Short Term Fund	Long Term	-	-	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
2	ICICI Prudential Fixed Maturity Plan – Series 82 – 1185 Days Plan I	Long Term	-	-	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	-
3	ICICI Prudential Banking And PSU Debt Fund	Long Term	-	-	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	-	-	-	-	-	-
4	ICICI Prudential Corporate Bond Fund	Long Term	-	-	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	-	-	-	-	-	-
5	ICICI Prudential Savings Fund	Long Term	-	-	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	-	-	-	-	-	-

SN	Instrument	Current Rating				Chronology of Rating History for the Past 3 Years										
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	FY2021	FY2020					FY2019				FY2018	
					06-Jul-20	30-Dec-19	06-Sep-19	31-Jul-19	19-Jun-19	14-Jun-19	13-Feb-19	04-Sep-18	19-Jul-18	29-May-18	05-Feb-18	29-Jun-17
6	ICICI Prudential Money Market	Long Term	-	-	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	-	-	-	-	-	-
7	ICICI Prudential Liquid Fund	Long Term	-	-	[ICRA]AAAmfs	[ICRA] AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	-	-	-	-	-	-	-
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	-	-	-	-	-

Amounts in Rs. Crore

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

Annexure-1: Instrument details: Not applicable

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

Analyst Contacts

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Neha Parikh
+91 22 6114 3426
neha.parikh@icraindia.com

Jitesh Setia
+91 22 6114 3463
jitesh.setia@icraindia.com

Subhrajyoti Mohapatra
Subhrajyoti.mohapatra@icraindia.com

Relationship Contact

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

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

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

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
Website: 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