

December 06, 2024

## Mirae Asset Investment Managers (India) Private Limited: Ratings reaffirmed

### Summary of rating action

| Instrument*                           | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action            |
|---------------------------------------|--------------------------------------|-------------------------------------|--------------------------|
| Mirae Asset Money Market Fund         | -                                    | -                                   | [ICRA]A1+mfs; reaffirmed |
| Mirae Asset Ultra Short Duration Fund | -                                    | -                                   | [ICRA]A1+mfs; reaffirmed |
| Mirae Asset Liquid Fund               | -                                    | -                                   | [ICRA]A1+mfs; reaffirmed |
| Mirae Asset Overnight Fund            | -                                    | -                                   | [ICRA]A1+mfs; reaffirmed |
| Mirae Asset Low Duration Fund         | -                                    | -                                   | [ICRA]AAAmfs; reaffirmed |
| Mirae Asset Short Duration Fund       | -                                    | -                                   | [ICRA]AAAmfs; reaffirmed |
| Total                                 | -                                    | -                                   |                          |

\*Instrument details are provided in Annexure I

### Rationale

ICRA has reaffirmed the ratings for various schemes of Mirae Asset Investment Managers (India) Private Limited. 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 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 market risks and hence should not be construed as an indication of the expected returns, prospective performance of the mutual fund 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 mutual fund 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 mutual fund ratings are not a reflection on 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 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 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 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 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. To this end, ICRA relies on the information provided by the AMC and/or publicly available sources. ICRA reviews the mutual fund 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** –

**For Mirae Asset 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.

**For all other schemes** – ICRA could downgrade the ratings of the schemes if the credit quality of the underlying investment deteriorates or if there is an increase in the share of lower rated investments on account of a decline in the AUM or otherwise, leading to a breach in the threshold for the rating level.

### Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable rating methodologies | <a href="#">Methodology for Rating Mutual Fund Schemes</a> |
| Parent/Group support            | Not Applicable   |
| Consolidation/Standalone        | Not Applicable   |

### About the company

Mirae Asset Investment Managers (India) Private Limited is a wholly-owned subsidiary of Mirae Asset Global Investments (India) Pvt. Ltd., which is sponsored by Mirae Asset Global Investments Company Limited, South Korea (part of Mirae Asset Financial Group). Mirae Asset Global Investments (India) Pvt. Ltd. had transferred the asset management business to Mirae Asset Investment Managers (India) with effect from January 01, 2020. Mirae Asset Mutual Fund's (MAMF) AUM stood at Rs. 1,62,820.88 lakh crore as on March 31, 2024. The average quarterly AUM (AAUM), as on September 30, 2024, was Rs. 1,91,505.12 crore.

**Mirae Asset Overnight Fund**

Mirae Asset Overnight Fund is an open-ended debt scheme. The investment objective is to generate returns commensurate with low risk, while providing a high level of liquidity through investments primarily in overnight securities with a maturity of one business day. The fund's AUM stood at Rs. 741 crore as on October 31, 2024.

**Mirae Asset Liquid Fund**

Mirae Asset Liquid Fund is an open-ended liquid debt scheme. The investment objective is to generate consistent returns with a high level of liquidity through a judicious portfolio mix comprising money market and debt instruments. The fund's AUM stood at Rs. 12,783 crore as on October 31, 2024.

**Mirae Asset Ultra Short Duration Fund**

Mirae Asset Ultra Short Duration Fund is an open-ended scheme. The investment objective is to generate regular income and provide liquidity by investing primarily in a portfolio comprising debt and money market instruments. The scheme seeks to generate returns and reduce the interest rate risk by keeping the portfolio's Macaulay duration between 3 months and 6 months. The fund's corpus stood at Rs. 1,585 crore as on October 31, 2024.

**Mirae Asset Low Duration Fund**

Mirae Asset Low Duration Fund is an open-ended low duration debt scheme. The investment objective is to generate returns with a portfolio comprising debt and money market instruments, such that the Macaulay duration of the portfolio is between 6 months and 12 months. The fund's corpus stood at Rs. 1,249 crore as on October 31, 2024.

**Mirae Asset Money Market Fund**

Mirae Asset Money Market Fund is an open-ended debt scheme. The investment objective is to generate reasonable returns with low risk and provide liquidity by investing in money market instruments. The fund's AUM stood at Rs. 1,201 crore as on October 31, 2024.

**Mirae Asset Short Duration Fund**

Mirae Asset Short Duration Fund is an open-ended short-term debt scheme. The investment objective is to generate returns through an actively managed diversified portfolio of debt and money market instruments with the Macaulay duration of the portfolio between 1 year and 3 years. The fund's AUM stood at Rs. 366 crore as on October 31, 2024.

**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 (FY2025) |                         |              | Chronology of rating history for the past 3 years |              |           |              |           |              |
|--|------------------|-------------------------|--------------|---|--------------|-----------|--------------|-----------|--------------|
|  | Type             | Amount Rated (Rs Crore) | Dec 06, 2024 | FY2024  |              | FY2023    |              | FY2022    |              |
|  |                  |                         |              | Date  | Rating       | Date      | Rating       | Date      | Rating       |
| <b>Mirae Asset Low Duration Fund</b>         | Long Term        | -                       | [ICRA]AAAmfs | 26-Dec-23   | [ICRA]AAAmfs | 11-Jan-23 | [ICRA]AAAmfs | 24-Jan-22 | [ICRA]AAAmfs |
|  |                  |                         |              | -   | -            | 04-Jan-23 | [ICRA]AAAmfs | -         | -            |
| <b>Mirae Asset Liquid Fund</b>               | Short Term       | -                       | [ICRA]A1+mfs | 26-Dec-23   | [ICRA]A1+mfs | 11-Jan-23 | [ICRA]A1+mfs | 24-Jan-22 | [ICRA]A1+mfs |
|  |                  |                         |              | -   | -            | 04-Jan-23 | [ICRA]A1+mfs | -         | -            |
| <b>Mirae Asset Overnight Fund</b>            | Short Term       | -                       | [ICRA]A1+mfs | 26-Dec-23   | [ICRA]A1+mfs | 11-Jan-23 | [ICRA]A1+mfs | 24-Jan-22 | [ICRA]A1+mfs |
|  |                  |                         |              | -   | -            | 04-Jan-23 | [ICRA]A1+mfs | -         | -            |
| <b>Mirae Asset Ultra Short Duration Fund</b> | Short Term       | -                       | [ICRA]A1+mfs | 26-Dec-23   | [ICRA]A1+mfs | 11-Jan-23 | [ICRA]A1+mfs | 24-Jan-22 | [ICRA]A1+mfs |
|  |                  |                         |              | -   | -            | 04-Jan-23 | [ICRA]A1+mfs | -         | -            |
| <b>Mirae Asset Short Duration Fund</b>       | Long Term        | -                       | [ICRA]AAAmfs | 26-Dec-23   | [ICRA]AAAmfs | 11-Jan-23 | [ICRA]AAAmfs | 24-Jan-22 | [ICRA]AAAmfs |
|  |                  |                         |              | -   | -            | 04-Jan-23 | [ICRA]AAAmfs | -         | -            |
| <b>Mirae Asset Money Market Fund</b>         | Short Term       | -                       | [ICRA]A1+mfs | 26-Dec-23   | [ICRA]A1+mfs | 11-Jan-23 | [ICRA]A1+mfs | -         | -            |

## 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

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