

March 02, 2026

## PPFAS Mutual Fund: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Parag Parikh Liquid Fund	-	-	[ICRA]A1+mfs ; Reaffirmed
<b>Total</b>	-	-	

\*Instrument details are provided in Annexure-I

### Rationale

#### Rationale and key rating drivers

ICRA has reaffirmed the rating for Parag Parikh Liquid Fund of PPFAS Mutual Fund, which is managed by PPFAS Asset Management Private Limited (PPFAS AMC; the asset management company or AMC). The rating has been reaffirmed following ICRA's monitoring of the credit risk profile of the month-end portfolio position of the mutual fund (MF) scheme. The credit risk score for the scheme was comfortably within the benchmark limit for its current rating level.

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 the MF scheme. The rating does not indicate the AMC and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The rating also does not address the market risks and hence should not be construed as an indication of the expected returns, the prospective performance of the MF 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 MF schemes is guided by the credit rating 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. 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 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 before the end of the next month, and provides 30 working days from the date of such communication 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: NA : Not applicable

## Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – ICRA could downgrade the rating of the scheme 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 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 Funds</a>
Parent/group Support	NA
Consolidation/standalone	NA

## About the company

PPFAS Asset Management Private Limited (PPFAS AMC) was incorporated in August 2011. It is promoted by Parag Parikh Financial Advisory Services Limited (PPFAS), an investment advisory firm incorporated in 1992. PPFAS AMC's average AUM during the quarter ended December 2025 was Rs. 1,45,938.79 crore.

### Parag Parikh Liquid Fund

Launched in 2018, Parag Parikh Liquid Fund is an open-ended debt scheme investing in money market and debt securities with maturity of up to 91 days. The investment objective is to deliver reasonable market-related returns with lower risk and high liquidity. The AUM stood at Rs. 4,068 crore as on January 31, 2026.

**Key financial indicators (audited)**

Not applicable

**Status of non-cooperation with previous CRA**

Not applicable

**Any other information**

None

### Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 02, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Parag Parikh Liquid Fund	Short term	-	[ICRA]A1+mfs	March 28, 2025	[ICRA]A1+mfs	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Parag Parikh Liquid Fund	NA

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

ISIN	Instrument name	Date of issuance / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Parag Parikh Liquid Fund	NA	NA	NA	NA	[ICRA]A1+mfs

Source: Company

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

Not applicable

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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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## ICRA Limited

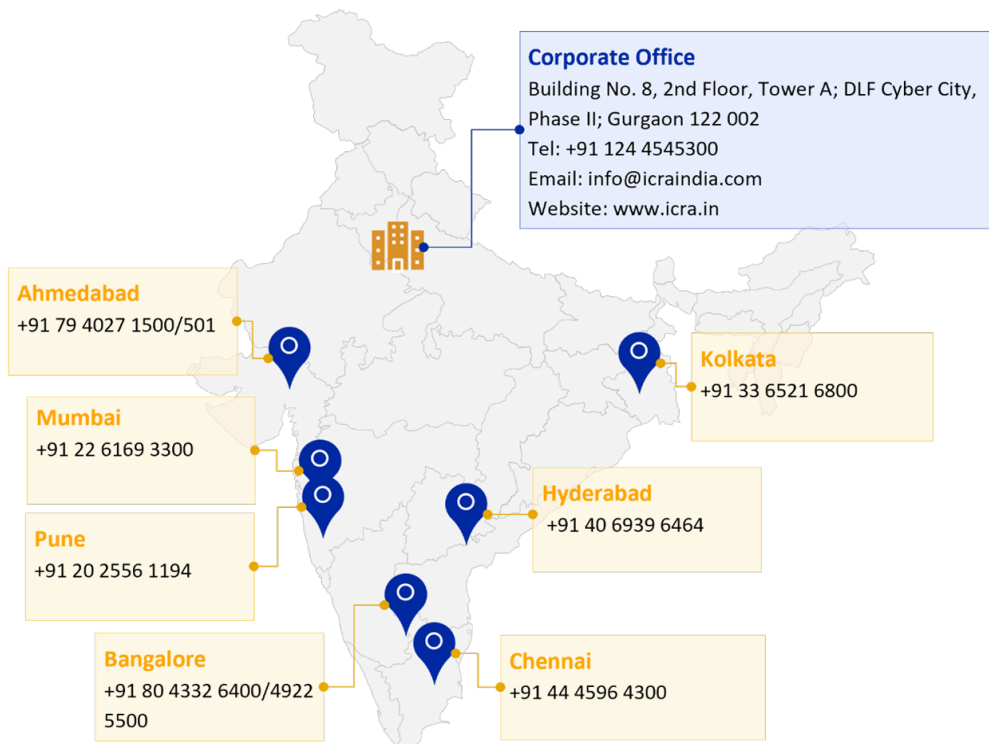


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