

May 08, 2026

LIC Mutual Fund Asset Management Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
LIC MF Money Market Fund	-	-	[ICRA]A1+mfs; reaffirmed
LIC MF Liquid Fund	-	-	[ICRA]A1+mfs; reaffirmed
LIC MF Ultra Short Duration Fund	-	-	[ICRA]A1+mfs; reaffirmed
LIC MF Overnight Fund	-	-	[ICRA]A1+mfs; reaffirmed
LIC MF Low Duration Fund (erstwhile LIC MF Savings Fund)	-	-	[ICRA]AAA mfs; reaffirmed
LIC MF Medium to Long Duration Bond Fund (erstwhile LIC MF Bond Fund)	-	-	[ICRA]AAA mfs; reaffirmed
LIC MF Banking And PSU Debt Fund	-	-	[ICRA]AAA mfs; reaffirmed
Total	-	-	

*Instrument details are provided in Annexure II

Rationale and key rating drivers

ICRA has reaffirmed the ratings of various debt schemes of LIC Mutual Fund Asset Management Limited (LIC AMC). 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 the schemes were comfortably within the benchmark limit for their current 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 the 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 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 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: Not applicable

Rating sensitivities

For LIC MF Overnight Fund

Positive factors – Not applicable

Negative factors – 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

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 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	ICRA’s Methodology for Mutual Funds
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the company

Established by Life Insurance Corporation of India (LIC), LIC Mutual Fund Asset Management Limited (LIC AMC) is LIC's associate company. LIC AMC, the investment manager of LIC Mutual Fund, acquired the schemes of IDBI MF from IDBI AMC with effect from July 29, 2023. The average quarterly AUM (AAUM) as of March 31, 2026, was Rs. 46,461.19 crore

LIC MF Money Market Fund

Launched in August 2022, LIC MF Money Market Fund is an open-ended debt scheme investing in money market instruments. The investment objective of the Scheme is to generate income through investment in a portfolio comprising of money market instruments. . As on March 31, 2026, the scheme's AUM was Rs. 4,594 crore.

LIC MF Liquid Fund

Launched in March 2002, LIC MF Liquid Fund is an open-ended scheme which seeks to generate reasonable returns with low risk and high liquidity through judicious mix of investment in money market instruments and quality debt instruments. The scheme's AUM was Rs. 11,106 crore as on March 31, 2026.

LIC MF Ultra Short Duration Fund

Launched in November 2019, LIC MF Ultra Short Duration Fund is an Open Ended ultra short-term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months to 6 months. The investment objective of the scheme is to generate returns through investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 3 months - 6 months. . The scheme's AUM stood at Rs. 187 crore as on March 31, 2026.

LIC MF Overnight Fund

Launched in July 2019, LIC MF Overnight Fund is an open-ended debt scheme investing in overnight securities. The objective of the scheme is to provide reasonable returns commensurate with low risk and providing a high level of liquidity, through investments made primarily in overnight securities having maturity/residual maturity of 1 business day. The scheme's AUM was Rs. 902 crore as on March 31, 2026.

LIC MF Low Duration Fund

Launched in June 2003, LIC MF Low Duration Fund is an open ended low duration debt scheme investing in the instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months .The investment objective of the Scheme is to generate income by investing in a portfolio of quality short term debt securities. . Its AUM was Rs. 1,830 crore as on March 31, 2026.

LIC MF Medium to Long Duration Bond Fund

Launched in June 1999, , LIC MF Medium to Long Duration Bond Fund is an open-ended medium-term debt scheme, investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years. Its AUM was Rs. 189 crore as on March 31, 2026.

LIC MF Banking & PSU Debt Fund

Launched in May 2007, LIC MF Banking & PSU Debt Fund is an open-ended debt fund scheme investing in the debt instruments of banks, public sector undertakings (PSUs), public finance institutions and municipal bonds. The primary investment objective of the scheme is to generate income and capital appreciation by primarily investing in a portfolio of debt and money market securities that are issued by banks, public sector undertakings, public financial institutions and Municipal Bonds. The scheme's AUM was Rs. 1,843 crore as on March 31, 2026.

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 (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 08, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
LIC MF Money Market Fund	Short term	-	[ICRA]A1+mfs	Jun 13, 2025	[ICRA]A1+mfs	Jul 9, 2024	[ICRA]A1+mfs	Apr 04, 2023	[ICRA]A1+mfs
								Jun 26, 2023	[ICRA]A1+mfs
								Sep 01, 2023	[ICRA]A1+mfs
LIC MF Liquid Fund	Short term	-	[ICRA]A1+mfs	Jun 13, 2025	[ICRA]A1+mfs	Jul 9, 2024	[ICRA]A1+mfs	Apr 04, 2023	[ICRA]A1+mfs
								Jun 26, 2023	[ICRA]A1+mfs
								Sep 01, 2023	[ICRA]A1+mfs
LIC MF Low Duration Fund (erstwhile LIC MF Savings Fund)	Long term	-	[ICRA]AAAmfs	Jun 13, 2025	[ICRA]AAAmfs	Jul 9, 2024	[ICRA]AAAmfs	Apr 04, 2023	[ICRA]AAAmfs
								Jun 26, 2023	[ICRA]AAAmfs
								Sep 01, 2023	[ICRA]AAAmfs
LIC MF Medium to Long Duration Bond Fund (erstwhile LIC MF Bond Fund)	Long term	-	[ICRA]AAAmfs	Jun 13, 2025	[ICRA]AAAmfs	Jul 9, 2024	[ICRA]AAAmfs	Apr 04, 2023	[ICRA]AAAmfs
								Jun 26, 2023	[ICRA]AAAmfs
								Sep 01, 2023	[ICRA]AAAmfs
LIC MF Banking And PSU Debt Fund	Long term	-	[ICRA]AAAmfs	Jun 13, 2025	[ICRA]AAAmfs	Jul 9, 2024	[ICRA]AAAmfs	Apr 04, 2023	[ICRA]AAAmfs
								Jun 26, 2023	[ICRA]AAAmfs
								Sep 01, 2023	[ICRA]AAAmfs
LIC MF Ultra Short Duration Fund	Short term	-	[ICRA]A1+mfs	Jun 13, 2025	[ICRA]A1+mfs	Jul 9, 2024	[ICRA]A1+mfs	Sep 01, 2023	[ICRA]A1+mfs
LIC MF Overnight Fund	Short term	-	[ICRA]A1+mfs	Jun 13, 2025	[ICRA]A1+mfs	Jul 9, 2024	[ICRA]A1+mfs	Sep 01, 2023	[ICRA]A1+mfs

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI

12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) **Includes** bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	LIC MF Money Market Fund	NA	NA	NA	-	[ICRA]A1+mfs
NA	LIC MF Liquid Fund	NA	NA	NA	-	[ICRA]A1+mfs
NA	LIC MF Ultra Short Duration Fund	NA	NA	NA	-	[ICRA]A1+mfs
NA	LIC MF Overnight Fund	NA	NA	NA	-	[ICRA]A1+mfs
NA	LIC MF Low Duration Fund (erstwhile LIC MF Savings Fund)	NA	NA	NA	-	[ICRA]AAAmfs
NA	LIC MF Medium to Long Duration Bond Fund (erstwhile LIC MF Bond Fund)	NA	NA	NA	-	[ICRA]AAAmfs
NA	LIC MF Banking And PSU Debt Fund	NA	NA	NA	-	[ICRA]AAAmfs

Annexure III: 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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Branches



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