

October 10, 2019

Mirae Asset Global Investment (India) Private Limited: Rating assigned for Mirae Asset Cash Management Fund

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Mirae Asset Cash Management Fund	-	[ICRA]A1+mfs; assigned
Total	-	-

*Instrument details are provided in Annexure-1

Rationale and key rating drivers

The rating has been assigned following ICRA's monitoring of the credit risk profile of the month-end portfolio position for the scheme. The credit risk scores for this scheme was comfortably within the benchmark limits for its assigned rating level.

The rating indicates ICRA's opinion on the credit quality of the portfolios that the funds hold. The rating doesn't indicate the AMC's willingness, or ability, to make timely payments to the fund's investors. The rating should not be construed as an indication of expected returns, prospective performance of the mutual fund scheme, NAV or of volatility in its returns.

ICRA's mutual fund rating methodology is based on evaluating the inherent credit quality of the fund's portfolio. As a measure of the credit quality of a debt fund's assets, ICRA uses the concept of "credit scores". These scores are based on ICRA's estimates of the credit risk associated with each exposure of the portfolio taking into account its maturity. To quantify the credit risk scores, ICRA uses its database of historical default rates for various rating categories and maturity buckets. The credit risk ratings incorporate ICRA's assessment of a debt fund's published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio. ICRA reviews relevant fund information on an ongoing basis to support its published rating opinions. If the portfolio credit score meets the benchmark of the assigned rating during the review, the rating is retained. In an event that the benchmark credit score is breached, ICRA gives a month's time to the debt fund manager to bring the portfolio credit score within the benchmark credit score. If the debt fund manager is able to reduce the portfolio credit score within the benchmark credit score, the rating is retained. If the portfolio still continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality.

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 assets under management (AUM) declines, which results 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	Mutual Fund Credit Risk Rating Methodology
Parent/Group Support	Not applicable
Consolidation/Standalone	Not applicable

About the company

Established in 2007 with a seed capital of US\$ 50 million, Mirae Asset Global Investment (India) Private Limited is sponsored by Mirae Asset Global Investments Company Limited, South Korea of Mirae Asset Financial Group. Along with fund management, the company provide advisory services to Group companies in Hong Kong and Korea. The company had quarterly average AUM¹ of Rs. 29,260.92 crore for the quarter ended June 30, 2019.

Mirae Asset Cash Management Fund

Mirae Asset Cash Management Fund is an open-ended liquid scheme of Mirae Asset Global Investment (India) Private Limited. The investment objective of the scheme is to generate consistent returns with a high level of liquidity in a judicious portfolio mix comprising of money market and debt instruments. The fund's AUM stood at Rs. 4,156 crore as on August 31, 2019 and had an average residual maturity of around 25 days as on that date.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

¹ Source: www.amfiindia.com
www.icra.in

Rating history for past three years

Instrument	Current Rating (FY2020)			Rating 10-Oct-19	Rating History for the Past 3 Years		
	Type	Amount Rated	Amount Outstanding		FY2019	FY2018	FY2017
Mirae Asset Cash Management Fund <i>Amount in Rs. crore</i>	Short term	-	-	[ICRA]A1+mfs; assigned	NA	NA	NA

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

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