

June 19, 2019

ICICI Prudential Asset Management Company Limited: [ICRA]AAAmfs assigned to ICICI Prudential Liquid Fund

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
ICICI Prudential Liquid Fund	-	-	[ICRA]AAAmfs; assigned
ICICI Prudential Banking And PSU Debt Fund	-	-	[ICRA]AAAmfs; outstanding
ICICI Prudential Corporate Bond Fund	-	-	[ICRA]AAAmfs; outstanding
ICICI Prudential Savings Fund	-	-	[ICRA]AAAmfs; outstanding
ICICI Prudential Money Market Fund	-	-	[ICRA]AAAmfs; outstanding
ICICI Prudential Overnight Fund	-	-	[ICRA]A1+mfs; outstanding
ICICI Prudential Short Term Fund (erstwhile ICICI Prudential Short Term Plan)	-	-	[ICRA]AAAmfs; outstanding
ICICI Prudential Fixed Maturity Plan – Series 82 – 1185 Days Plan I	-	-	[ICRA]AAAmfs; outstanding
ICICI Prudential Medium Term Bond Fund (erstwhile ICICI Prudential Corporate Bond Fund)	-	-	[ICRA]AAAmfs; outstanding
Total	-	-	

Rationale and key rating drivers

The rating has been assigned following ICRA's analysis of the credit risk profile of the month-end portfolio position of the scheme. The credit risk score for the scheme was comfortably within the benchmark limit for the current rating levels.

The ratings indicate ICRA's opinion on the credit quality of the portfolios held by the funds. They do not indicate the asset management company's (AMC) willingness or ability to make timely payments to the fund's investors. The ratings should not be construed as an indication of expected returns, prospective performance of the mutual fund scheme, net asset value (NAV) or 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's 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 continues to breach the benchmark credit score, the rating is revised to reflect the change in the credit quality.

Liquidity position: Not applicable

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 ICICI Prudential Mutual Fund (ICICI Pru MF). It is a joint venture between ICICI Bank and Prudential plc, UK. ICICI Pru MF had average assets under management (AUM) of Rs. 3,46,782.66 crore as on May 31, 2019.

ICICI Prudential Liquid Fund

ICICI Prudential Liquid Fund is an open-ended scheme that invests in the debt and money market securities with maturity of up to 91 days only. The scheme's objective is to provide reasonable returns with low risk and providing high level of liquidity by investing in the above-mentioned instruments. The fund's AUM stood at Rs. 68,726.96 crore as on May 31, 2019 while the average maturity of the scheme was 0.12 year.

ICICI Prudential Banking And PSU Debt Fund

ICICI Prudential Banking And PSU Debt Fund is an open-ended scheme that invests in the debt securities of banks, public sector undertakings (PSUs), public financial institutions and municipal bonds. The scheme's objective is to generate income by investing in the above-mentioned instruments while maintaining an optimum balance between yield, safety and liquidity. The fund's AUM stood at Rs. 5,611.60 crore as on May 31, 2019 while the average maturity of the scheme was 3.80 years.

ICICI Prudential Corporate Bond Fund

ICICI Prudential Corporate Bond Fund is an open-ended scheme that invests in the highest-rated corporate bonds. The scheme's objective is to generate income by investing in AA+ and above rated corporate bonds while maintaining an optimum balance between yield, safety and liquidity. The fund's AUM stood at Rs. 7,087.46 crore as on May 31, 2019 while the average maturity of the scheme was 2.38 years.

ICICI Prudential Savings Fund

ICICI Prudential Savings Fund is an open-ended scheme that invests in the highest-rated corporate bonds. The scheme's objective is to generate income through investments in a range of debt and money market instruments while maintaining an optimum balance between yield, safety and liquidity. The fund's AUM stood at Rs. 20,322.87 crore as on May 31, 2019 while the average maturity of the scheme was 1.06 years.

ICICI Prudential Money Market Fund

ICICI Prudential Money Market Fund is a money market scheme. The objective of the scheme is to provide reasonable returns commensurate with low risk, and a high level of liquidity by investing in money market instruments. The fund's AUM stood at Rs. 8,992.13 crore as on May 31, 2019 while the average maturity of the scheme was 0.47 years.

ICICI Prudential Overnight Fund

ICICI Prudential Overnight Fund is an open-ended scheme that invests in overnight securities or debt instruments maturing on or before the next business day. The scheme's objective is to provide reasonable returns, commensurate

with low risk and a high level of liquidity, through investments made primarily in overnight securities with a maturity of one business day. The probability of capital erosion is low and the interest rate risk is sought to be minimised as the investment is made in securities with 1-day maturity. The fund's AUM stood at Rs. 1,384.72 crore as on May 31, 2019.

ICICI Prudential Short Term Fund

Launched in October 2001, ICICI Prudential Short Term Fund is an open-ended income fund. The portfolio predominantly comprises debt instruments issued by the corporate and financial services sector and Government securities. On May 31, 2019, the scheme's corpus stood at Rs. 8,445.59 crore.

ICICI Prudential Fixed Maturity Plan – Series 82 - 1185 Days Plan I

ICICI Prudential Fixed Maturity Plan – Series 82 - 1185 Days Plan I is a close-ended debt fund. The AUM stood at Rs. 998.06 crore as on May 31, 2019. The portfolio comprises Government securities and AAA rated non-convertible debentures maturing on or before the maturity of the scheme.

ICICI Prudential Medium Term Bond Fund

Launched in September 2004, ICICI Prudential Medium Term Bond Fund is an open-ended income fund, which primarily invests in corporate bonds. The scheme focuses on accrual income by investing in medium-to-long-term corporate papers. The fund invests in debt securities issued by corporates including PSUs, financial institutions and NBFCs. The fund's corpus stood at Rs. 5,964.25.13 crore as on May 31, 2019.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

S N	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstandi ng (Rs. crore)	Current Rating	Chronology of Rating History for the Past 3 Years						
					FY2020	FY2019			FY2018			FY2017
					Jun-19	Feb-19	Sep-18	Jul-18	May-18	Feb-18	Jun-17	Jun-16
1	ICICI Prudential Liquid Fund	Long Term	-	-	[ICRA]A AAmfs	-	-	-	-	-	-	-
2	ICICI Prudential Banking And PSU Debt Fund	Long Term	-	-	[ICRA]A AAmfs	-	-	-	-	-	-	-
3	ICICI Prudential Corporate Bond Fund	Long Term	-	-	[ICRA]A AAmfs	-	-	-	-	-	-	-
4	ICICI Prudential Savings Fund	Long Term	-	-	[ICRA]A AAmfs	-	-	-	-	-	-	-
5	ICICI Prudential Money Market	Long Term	-	-	[ICRA]A AAmfs	-	-	-	-	-	-	-
6	ICICI Prudential Overnight Fund	Short Term	-	-	[ICRA]A1 +mfs	[ICRA]A1 +mfs	-	-	-	-	-	-
7	ICICI Prudential Short Term Fund	Long Term	-	-	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA] AAAms	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AAAmf s
8	ICICI Prudential Fixed Maturity Plan – Series 82 – 1185 Days Plan I	Long Term	-	-	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA] AAAms	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AA Amfs	-	-
9	ICICI Prudential Medium Term Bond Fund	Long Term	-	-	[ICRA]A Amfs	[ICRA]A Amfs	[ICRA] AAmfs	[ICRA]AA mfs	[ICRA]AA mfs	[ICRA]AA mfs	[ICRA]AA mfs	[ICRA]AAmfs

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

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	NA	NA	NA	NA	NA	NA

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About ICRA Limited:

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