

Reliance Nippon Life Asset Management Limited

December 26, 2018

Summary of rating action

Instrument	Current Rated Amount (Rs. crore)	Rating Action
Reliance Fixed Horizon Fund –XXXVII – Series 7	-	[ICRA]A1+mfs; withdrawn
Reliance Fixed Horizon Fund – XXXVII – Series 8	-	[ICRA]A1+mfs; withdrawn
Reliance Overnight Fund	-	[ICRA]A1+mfs; outstanding
Reliance Capital Protection Oriented Fund I – Plan A	-	Provisional [ICRA]AAAmfs(SO); outstanding
Reliance Capital Protection Oriented Fund I – Plan B	-	Provisional [ICRA]AAAmfs(SO); outstanding
Reliance Banking & PSU Debt Fund	-	[ICRA]AAAmfs; outstanding
Reliance Dynamic Bond Fund	-	[ICRA]AAAmfs; outstanding
Reliance Floating Rate Fund	-	[ICRA]AAAmfs; outstanding
Reliance Income Fund	-	[ICRA]AAAmfs; outstanding
Reliance Liquid Fund	-	[ICRA]A1+mfs; outstanding
Reliance Low Duration Fund	-	[ICRA]AAAmfs; outstanding
Reliance Money Market Fund	-	[ICRA]A1+mfs; outstanding
Reliance Prime Debt Fund	-	[ICRA]AAAmfs; outstanding
Reliance Short Term Fund	-	[ICRA]AAAmfs; outstanding
Reliance Strategic Debt Fund	-	[ICRA]AAmfs; outstanding
Reliance Ultra Short Duration Fund	-	[ICRA]A1+mfs; outstanding
Reliance Interval Fund – Quarterly Interval Fund – Series III	-	[ICRA]A1+mfs; outstanding
Reliance Interval Fund – Monthly Interval Fund – Series I	-	[ICRA]A1+mfs; outstanding
Reliance Interval Fund – Monthly Interval Fund – Series II	-	[ICRA]A1+mfs; outstanding
Reliance Interval Fund - Quarterly Interval Fund - Series II	-	[ICRA]A1+mfs; outstanding

Rationale and key rating drivers

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 still continues to breach the benchmark credit score, the rating is revised to reflect the change in the credit quality.

The portfolio structure for the capital protection schemes have been designed to protect the unit holders' capital at maturity, which is ensured by investing a majority of the portfolio in debt securities maturing on or before the maturity of the schemes. The schemes will invest in debt securities only with a rating of [ICRA]AAA or equivalent, mitigating any concerns on credit risk. The proportion of debt securities is calculated such that the redemption value of debt less AMC expenses will be equal to or greater than the initial unit holder's capital, offering highest degree of protection of the unit holder's capital at maturity. ICRA has factored in the credit risk of debt investments, reinvestment risk of interim receipts, precondition of marginal tenure mismatches and obligor concentrations. The debt portion would be passively managed. The balance portion would be invested in equity and equity-linked instruments to provide any upside potential to the unit holders. At the same time, given the proportion of high credit quality debt investments and the portfolio structure, the downside is protected and the investor may not suffer loss of initial investment at the time of maturity.

The rating has been withdrawn as the scheme has matured and the units have been redeemed. The withdrawal is in accordance with ICRA's policy on withdrawal and suspension and is done on the basis of withdrawal request received from the company.

Liquidity position: Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA- Mutual Fund Credit Risk Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable
Consolidation / Standalone	Not applicable

About the company

Reliance Nippon Life Asset Management Limited (RNAM) is the asset manager of Reliance Mutual Fund (RMF). At present, Reliance Capital Limited and Nippon Life Insurance Company (NLI) hold 42.88% each of the total issued and paid-up equity share capital of RNAM. During Q2 FY2019, the average assets under management (AUM) of RNAM stood at Rs. 2,44,843.44 crore.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Sr. No	Name of Scheme	Type	Rated amount	Current Rating (FY2019)										
				FY2019				FY2018		FY2017		FY2016		
				Dec-18	Sep-18	Aug-18	May-18	Mar-18	Feb-18	Jul-17	Oct-16	Apr-16	Aug-15	Jan-15
1	Reliance Fixed Horizon Fund – XXXVII – Series 7	Short Term	-	[ICRA]A1+mfs; withdrawal	[ICRA]A1+mfs;	[ICRA]A1+mfs;	[ICRA]A1+mfs;							
2	Reliance Fixed Horizon Fund – XXXVII – Series 8	Short Term	-	[ICRA]A1+mfs; withdrawal	[ICRA]A1+mfs;	[ICRA]A1+mfs;	[ICRA]A1+mfs;							
3	Reliance Overnight Fund	Short Term	-	[ICRA]A1+mfs;	-	-	-	-	-	-	-	-	-	-
4	Reliance Capital Protection Oriented Fund I – Plan A	Long Term	-	Provisional [ICRA]AA Amfs(SO)	Provisional [ICRA]AAA mfs(SO)	-	-	-	-	-	-	-	-	-
5	Reliance Capital Protection Oriented Fund I – Plan B	Long Term	-	Provisional [ICRA]AA Amfs(SO)	Provisional [ICRA]AAA mfs(SO)	-	-	-	-	-	-	-	-	-
6	Reliance Interval Fund – Quarterly Interval Fund – Series III	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	-	-	-	-	-	-
7	Reliance Interval Fund – Monthly Interval Fund – Series I	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	-	-	-	-	-	-
8	Reliance Interval Fund – Monthly Interval Fund – Series II	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	-	-	-	-	-	-
9	Reliance Interval Fund - Quarterly Interval Fund - Series II	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	-	-	-	-	-

10	Reliance Liquid Fund	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs
11	Reliance Money Market Fund	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs
12	Reliance Ultra Short Duration Fund	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs
13	Reliance Banking & PSU Debt Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]AAA mfs	[ICRA]AA Amfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
14	Reliance Income Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]AAA mfs	[ICRA]AA Amfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs*	-	-
15	Reliance Floating Rate Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]AAA mfs	[ICRA]AA Amfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
16	Reliance Short Term Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]AAA mfs	[ICRA]AA Amfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
17	Reliance Prime Debt Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]AAA mfs	[ICRA]AA Amfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
18	Reliance Dynamic Bond Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]AAA mfs	[ICRA]AA Amfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
19	Reliance Low Duration Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]AAA mfs	[ICRA]AA Amfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
20	Reliance Strategic Debt Fund	Long Term	-	[ICRA]AA mfs	[ICRA]AAmfs	[ICRA]AA mfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	-	-	-

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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