

## ICICI Prudential Asset Management Company Limited

March 09, 2023

Scheme Name	Scheme Type	Rating <sup>1</sup>	Rating Action
ICICI Prudential Savings Fund	Open-ended low duration debt scheme	CARE AAA mfs	Assigned
ICICI Prudential Short Term Fund	Open-ended short term debt scheme	CARE AAA mfs	Assigned
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund	Open-ended target maturity index fund	CARE AAA mfs	Assigned
ICICI Prudential Nifty SDL Dec 2028 Index Fund	Open-ended target maturity index fund	CARE AAA mfs	Assigned
ICICI Prudential Nifty SDL Sep 2026 Index Fund	Open-ended target maturity index fund	CARE AAA mfs	Assigned
ICICI Prudential Nifty SDL Sep 2027 Index Fund	Open-ended target maturity index fund	CARE AAA mfs	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has assigned the credit quality rating of 'CARE AAA mfs' (pronounced as Triple A mfs) to the ICICI Prudential Savings Fund, ICICI Prudential Short-term Fund, ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund, ICICI Prudential Nifty SDL Dec 2028 Index Fund, ICICI Prudential Nifty SDL Sep 2026 Index Fund, and ICICI Prudential Nifty SDL Sep 2027 Index Fund. These funds are managed by ICICI Prudential Asset Management Company Limited. Schemes rated 'CARE AAA mfs' are considered to have highest degree of safety regarding timely receipt of payments from the investments that they have made.

CARE Ratings' fund Credit Quality Rating (CQR) is an opinion on the overall credit quality of a debt mutual fund scheme. CARE Ratings' fund CQR is not a recommendation to purchase, sell, or hold a security/fund. They comment neither on the current market price, suitability for a particular investor nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the fund's ability to meet the payment obligations to the investors. The ratings are not an opinion on the fund management practices (including fund structure, expense ratios & marketing activities), financial performance as well as management quality of an AMC, and hence, do not comment upon the business practices. The ratings are also not indicative of compliance & reputation risks, liquidity, market and sectoral risks.

The ratings capture the fund's overall exposure to default risk based on the credit quality of individual securities in the portfolio. CARE Ratings' fund CQR is based on the evaluation of the fund's investment strategy and portfolio credit risk. It also involves the evaluation of the credit quality of individual securities as well as the diversification of portfolio. CARE Ratings Limited (CARE Ratings) uses the concept of credit scores assigned to individual securities, as per credit scoring matrix developed by it.

CARE Ratings reviews the rated mutual fund scheme on an on-going basis to support its published rating opinions. As such, portfolio of the fund is reviewed on monthly basis. In addition, detailed annual review of the fund is also undertaken. The fund has to maintain the fund credit score within the benchmark fund score associated with a given rating level. If in any particular, the fund credit score breaches the benchmark, CARE Ratings generally provides one month to the AMC to realign the score.

The credit scores of ICICI Prudential Savings Fund, ICICI Prudential Short Term Fund, ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund, ICICI Prudential Nifty SDL Dec 2028 Index Fund and ICICI Prudential Nifty SDL Sep 2027 Index Fund schemes are on the basis of a review of the last three months' portfolio performance (including January 2023) and ICICI Prudential Nifty SDL Sep 2026 Index Fund is on the basis of a review of the last two months' portfolio performance (including January 2023), which are within the benchmark set by CARE Ratings.

### Rating sensitivities: Factors that could individually or collectively lead to rating actions

**Positive factors:** Not applicable

#### Negative factors:

CARE Ratings could downgrade the ratings of the schemes if the credit quality of the underlying securities deteriorates thereby resulting into a breach in the threshold limit set by CARE Ratings for a given rating level.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd's publications

## Analytical approach

Assessment of underlying credit quality of the debt schemes.

## Applicable criteria

[Rating Methodology – Fund Credit Quality](#)

## About the fund

### ICICI Prudential Savings Fund:

ICICI Prudential Savings Fund is an open-ended low duration debt scheme launched in September 2002. The investment objective of the scheme is to generate income through investments in a range of debt and money market instruments while maintaining the optimum balance of yield, safety, and liquidity. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved. The fund's assets under management (AUM) stood at ₹21,001.67 crore as on January 31, 2023.

### ICICI Prudential Short Term Fund:

ICICI Prudential Short Term Fund is an open-ended short-term debt scheme launched in October 2001. The investment objective of the scheme is to generate income through investments in a range of debt and money market instruments while maintaining the optimum balance of yield, safety and liquidity. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved. The fund's assets under management (AUM) stood at ₹14,589.51 crore as on January 31, 2023.

### ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund:

ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund is an open-ended target maturity index fund launched in September 2021. The investment objective of the scheme is to track the Nifty PSU Bond Plus SDL Sep 2027 40:60 Index by investing in AAA rated PSU bonds and SDLs, maturing on or before Sep 2027, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved and the scheme does not assure or guarantee any returns. The fund's assets under management (AUM) stood at ₹7,941.00 crore as on January 31, 2023.

### ICICI Prudential Nifty SDL Dec 2028 Index Fund:

ICICI Prudential Nifty SDL Dec 2028 Index Fund is an open-ended target maturity index fund launched in October 2022. The investment objective of the scheme is to provide investment returns corresponding to the total returns of the securities as represented by the Nifty SDL Dec 2028 Index before expenses, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. The fund's assets under management (AUM) stood at ₹235.08 crore as on January 31, 2023.

### ICICI Prudential Nifty SDL Sep 2026 Index Fund:

ICICI Prudential Nifty SDL Sep 2026 Index Fund is an open-ended target maturity index fund launched in December 2022. The investment objective of the scheme is to provide investment returns corresponding to the total returns of the securities as represented by the Nifty SDL Sep 2026 Index before expenses, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the scheme will be achieved. The fund's assets under management (AUM) stood at ₹188.10 crore as on January 31, 2023.

### ICICI Prudential Nifty SDL Sep 2027 Index Fund:

ICICI Prudential Nifty SDL Sep 2027 Index Fund is an open-ended target maturity index fund launched in March 2022. The investment objective of the scheme is to provide investment returns corresponding to the total returns of the securities as represented by the Nifty SDL Sep 2027 Index before expenses, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. The fund's assets under management (AUM) stood at ₹1,182.86 crore as on January 31, 2023.

## About the company and industry

### Industry Classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Capital Markets	Asset Management Company

ICICI Prudential Mutual Fund has been established as a trust under the Indian Trust Act, 1882, by ICICI Bank and Prudential Plc, with ICICI Prudential Trust Limited as the trustee company and ICICI Prudential Asset Management Company Limited as the investment manager. ICICI Prudential Asset Management Company Ltd is a joint venture (JV) between ICICI Bank (51% shareholding), which is one of the largest private sector banks in India, and Prudential Plc (49% shareholding), which is one of the UK's largest players in the financial services sector. The AMC reported average assets under management (AAUM) at ₹488,081 crore (excluding domestic Fund of Funds) for the quarter ended December 31, 2022.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of the various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
ICICI Prudential Savings Fund	-	-	-	-	-	CARE AAA mfs
ICICI Prudential Short-term Fund	-	-	-	-	-	CARE AAA mfs
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund	-	-	-	-	-	CARE AAA mfs
ICICI Prudential Nifty SDL Dec 2028 Index Fund	-	-	-	-	-	CARE AAA mfs
ICICI Prudential Nifty SDL Sep 2026 Index Fund	-	-	-	-	-	CARE AAA mfs
ICICI Prudential Nifty SDL Sep 2027 Index Fund	-	-	-	-	-	CARE AAA mfs

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1.	ICICI Prudential Liquid Fund	Open-ended liquid scheme	-	CARE AAA mfs*	1) CARE AAA mfs (October 21, 2022) 2) CARE A1+ mfs (May 31, 2022)	1) CARE A1+ mfs (June 02, 2021)	1) CARE A1+mfs (June 04, 2020)	1) CARE A1+ mfs (July 03, 2019)
2.	ICICI Prudential Overnight Fund	Open-ended debt scheme	-	CARE AAA mfs	1) CARE AAA mfs	1) CARE AAA mfs	1) CARE AAA mfs	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
					(May 31, 2022)	(June 02, 2021)	(September 29, 2020)	
3.	ICICI Prudential Ultra Short-term Fund	Open-ended debt scheme	-	CARE AAA mfs	1) CARE AAA mfs (May 31, 2022)	1) CARE AAA mfs (June 02, 2021) 2) CARE AAA mfs (May 07, 2021)	-	-
4.	ICICI Prudential Money Market Fund	Open-ended debt scheme	-	CARE AAA mfs	1) CARE AAA mfs (May 31, 2022)	1) CARE AAA mfs (July 26, 2021)	-	-
5.	ICICI Prudential Floating Interest Fund	Open-ended debt scheme	-	CARE AAA mfs	1) CARE AAA mfs (May 31, 2022)	1) CARE AAA mfs (August 20, 2021)	-	-
6.	ICICI Prudential Savings Fund	Open-ended low duration debt scheme	-	CARE AAA mfs	-	-	-	-
7.	ICICI Prudential Short-term Fund	Open-ended short term debt scheme	-	CARE AAA mfs	-	-	-	-
8.	ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund	Open-ended target maturity index fund	-	CARE AAA mfs	-	-	-	-
9.	ICICI Prudential Nifty SDL Dec 2028 Index Fund	Open-ended target maturity index fund	-	CARE AAA mfs	-	-	-	-
10.	ICICI Prudential Nifty SDL Sep 2026 Index Fund	Open-ended target maturity index fund	-	CARE AAA mfs	-	-	-	-
11.	ICICI Prudential Nifty SDL Sep 2027 Index Fund	Open-ended target maturity index fund	-	CARE AAA mfs	-	-	-	-

\*The rating has been reclassified from 'CARE A1+mfs' to 'CARE AAA mfs'.

### Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Not applicable

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of Instrument	Complexity Level
1	Credit Quality Rating	Simple

**Annexure-5: Lender details:** Not applicable

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

## Contact us

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### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

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