

## Aditya Birla Sun Life AMC Limited

December 18, 2023

Scheme Name	Scheme Type	Rating <sup>1</sup>	Rating Action
Aditya Birla Sun Life Liquid Fund	Open-ended liquid scheme	CARE A1+mfs	Reaffirmed
Aditya Birla Sun Life Money Manager Fund	Open-ended debt scheme	CARE A1+mfs	Reaffirmed
Aditya Birla Sun Life Overnight Fund	Open-ended debt scheme	CARE A1+mfs	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the credit quality rating assigned to Aditya Birla Sun Life Liquid Fund, Aditya Birla Sun Life Money Manager Fund and Aditya Birla Sun Life Overnight Fund. These funds are managed by Aditya Birla Sun Life AMC Limited (ABSLAMC).

The Schemes rated 'CARE A1+mfs' are considered to have very strong 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 month, the fund credit score breaches the benchmark, CARE Ratings generally provides one month to the AMC to realign the score. The credit score of the above scheme has been calculated on the basis of portfolio outstanding as on November 30, 2023, and 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 for a given rating level.

### Analytical approach

Assessment of underlying credit quality of the debt schemes.

### Applicable criteria

[Rating Methodology – Fund Credit Quality](#)

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

## About the funds

### Aditya Birla Sun Life Liquid Fund:

Aditya Birla Sun Life Liquid Fund is an open-ended liquid scheme launched in June 1997. The objective of the scheme is to provide reasonable returns at a high level of safety and liquidity through judicious investments in high quality debt and money market instruments. The fund's assets under management (AUM) stood at ₹ 39,102.35 crore, as on November 30, 2023.

### Aditya Birla Sun Life Money Manager Fund:

Aditya Birla Sun Life Money Manager Fund is an open-ended debt scheme launched in June 2003. The primary objective of the scheme is to generate regular income through investment in a portfolio comprising substantially of floating rate debt or money market instruments. The scheme may invest a portion of its net assets in fixed rate debt securities and money market instruments. The fund's assets under management (AUM) stood at ₹ 17,669.68 crore, as on November 30, 2023.

### Aditya Birla Sun Life Overnight Fund:

Aditya Birla Sun Life Overnight Fund is an open-ended scheme launched in November 2018. The objective of the scheme is to generate reasonable income through investments in debt securities, money market instruments and triparty repo having maturity of one day. The scheme does not guarantee or indicate any returns. There can be no assurance that the schemes' objectives will be achieved. The fund's assets under management (AUM) stood at ₹ 8,144.41 crore, as on November 30, 2023.

## About the company and industry

### Industry Classification

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

Established in 1994, Aditya Birla Sun Life AMC Limited (ABSLAMC) is co-owned and backed by Aditya Birla Capital Limited and Sun Life (India) AMC Investments Inc. ABSLAMC is primarily the investment manager of Aditya Birla Sun Life Mutual Fund. It is one of the leading asset managers in India, servicing around 7.89 million investor folios with a pan India presence across 290 plus locations. ABCL holds a 50.01% stake while Sun life holds a 36.49% stake in ABSL AMC limited as on March 31, 2023. The AMC reported average mutual fund assets under management (AAUM) at ₹ 3,10,899 crore (excluding fund of funds domestic but including fund of funds – overseas) for the quarter ended September 30, 2023.

**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
Aditya Birla Sun Life Liquid Fund	-	-	-	-	-	CARE A1+mfs
Aditya Birla Sun Life Money Manager Fund	-	-	-	-	-	CARE A1+mfs
Aditya Birla Sun Life Overnight Fund	-	-	-	-	-	CARE A1+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 2023-2024	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
1.	Aditya Birla Sun Life Liquid Fund	Open-Ended Liquid Scheme	-	CARE A1+ mfs	-	1) CARE A1+ mfs (December 26, 2022)	-	-
2.	Aditya Birla Sun Life Money Manager Fund	Open-Ended Debt Scheme	-	CARE A1+ mfs	-	1) CARE A1+ mfs (December 26, 2022)	-	-
3.	Aditya Birla Sun Life Overnight Fund	Open-Ended Debt Scheme	-	CARE A1+ mfs	-	1) CARE A1+ mfs (December 26, 2022)	-	-

**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 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:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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