

## Nippon Life India Asset Management Limited

April 04, 2025

Scheme Name	Scheme Type	Rating <sup>1</sup>	Rating Action
Nippon India Liquid Fund	Open-Ended Liquid Scheme	CARE AAA mfs	Reaffirmed
Nippon India Money Market 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 (CQR) of 'CARE AAA mfs' (pronounced Triple A Mutual Fund Schemes) to Nippon India Liquid Fund and 'CARE A1+ mfs' (pronounced A One Plus Mutual Fund Schemes) to Nippon India Money Market Fund. These funds are managed by Nippon Life India Asset Management Limited (NAM India).

Schemes rated 'CARE AAA mfs' are considered to have highest degree of safety regarding timely payment receipts from investments that have been made.

Schemes rated 'CARE A1+mfs' are considered to have strong degree of safety regarding timely payment receipt from investments that have been made.

CARE Ratings' fund 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. It comments neither on the current market price, suitability for a particular investor, nor on the prospective performance of the fund considering appreciation, volatility of net asset value (NAV), or yield of the fund. Ratings do not address the fund's ability to meet payment obligations to investors. Ratings are not an opinion on the fund management practices (including fund structure, expense ratios, and marketing activities), financial performance and management quality of an AMC, and hence, do not comment up their business practices. Ratings are also not indicative of compliance and reputation risks, liquidity, market, and sectoral risks.

Ratings capture the fund's overall exposure to default risk based on 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 evaluation of the credit quality of individual securities and diversification of portfolio. CARE Ratings uses the concept of credit scores assigned to individual securities, per the 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. The fund's portfolio of the fund is reviewed monthly. In addition, detailed annual review of the fund is also undertaken. The fund has to maintain fund credit score within the benchmark fund score associated with the rating level. In a particular month, if the fund credit score breaches the benchmark, CARE Ratings generally provides one month to the Asset Management Company (AMC) to realign the score. Credit scores of the above schemes have been calculated on the portfolio outstanding as on February 28, 2025, and is within the benchmark set by CARE Ratings.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

Not applicable

#### Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

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

### Analytical approach

Assessment of underlying credit quality of the debt schemes.

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

## Detailed description of key rating drivers

### Applicable criteria

[Fund Credit Quality](#)

### About the funds

#### Nippon India Liquid Fund

Nippon India Liquid Fund is an open-ended liquid scheme launched in December 2003. The investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk and high liquidity by investing in debt and money market instruments. The fund's assets under management (AUM) stood at ₹33,917.18 crore as on February 28, 2025.

#### Nippon India Money Market Fund:

Nippon India Money Market Fund is an open-ended debt scheme launched in June 2005. The investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk and liquidity by investing in money market instruments. The fund's AUM stood at ₹16,856.31 crore as on February 28, 2025.

**Liquidity:** Not applicable

## About the company and industry

### Industry Classification

Macroeconomic Indicator	Sector	Industry	Basic industry
Financial services	Financial services	Capital markets	Asset management company

NAM India is the asset manager of Nippon India Mutual Fund (NIMF). Nippon Life Insurance Company is its promoter and currently holds 72.43% (as on December 31, 2024) of its total issued and paid-up equity share capital. Equity shares of NAM India are listed on the BSE Limited and the National Stock Exchange of India Limited. The AMC reported average assets under management (AAUM) at ₹5,57,199 crore (excluding fund of funds domestic but including funds of fund overseas) for the quarter ended March 31, 2025.

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

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Covenants of rated instruments/facilities:** Not applicable

**Complexity level of instruments rated:** Annexure-3

**Lender details:** Not applicable

### 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 and Rating Outlook
Nippon India Liquid Fund	-	-	-	-	0.00	CARE AAA mfs
Nippon India Money Market Fund	-	-	-	-	0.00	CARE A1+ mfs

**Annexure-2: Rating history for 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 2024-2025	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
1.	Nippon India Liquid Fund	Open-Ended Liquid Scheme – LT	-	CARE AAAmfs	1)CARE AAAmfs (05-Apr-24)	1)CARE A1+mfs (06-Apr-23) 2)CARE AAAmfs (25-Jul-23)	1)CARE A1+mfs (07-Apr-22)	-
2.	Nippon India Money Market Fund	Open-Ended Debt Scheme - ST	-	CARE A1+mfs	1)CARE A1+mfs (05-Apr-24)	1)CARE A1+mfs (06-Apr-23) 2)CARE A1+mfs (25-Jul-23)	1)CARE A1+mfs (07-Apr-22)	-

LT: Long term; ST: Short term;

**Annexure-3: Complexity level of instruments rated**

Sr. No.	Name of Instrument	Complexity Level
1	Credit Quality Rating – Liquid Fund	Simple
2	Credit Quality Rating – Money Market Fund (Short Term)	Simple

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