

## ICICI Prudential Asset Management Company Limited

October 21, 2022

### Rating

Scheme Name	Scheme Type	Rating <sup>1</sup>	Rating Action
ICICI Prudential Liquid Fund	Open-ended liquid scheme	CARE AAA mfs* (Triple A mfs)	Assigned

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

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has assigned the credit quality rating of 'CARE AAA mfs' (Triple A mfs) to ICICI Prudential Liquid Fund. This fund is managed by ICICI Prudential Asset Management Company Limited.

Schemes rated 'CARE AAA mfs' are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made.

CARE Ratings' fund credit quality ratings are opinions on the overall credit quality of the specific debt mutual fund scheme. CARE Ratings' fund credit quality rating is not a recommendation to purchase, sell, or hold a security or fund. It neither comments 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 fund ratings capture the fund's overall exposure to default risk. CARE Ratings' fund credit quality ratings are 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 assets as well as the diversification of the portfolio. CARE Ratings uses the concept of credit scores, assigned to individual securities, as per the credit scoring matrix developed by CARE Ratings.

CARE Ratings reviews the rated mutual fund scheme on an ongoing basis to support its published rating opinions. As such, the monthly reports of the fund are examined. While the fund has to maintain the fund credit score within the benchmark fund scores, 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. The credit score of the ICICI Prudential Liquid Fund scheme is based on a review of the last six months' portfolio performance (including September 2022), which is within the benchmark set by CARE Ratings.

### Analytical approach

Assessment of underlying credit quality of the debt schemes.

### Applicable criteria

[CARE Ratings' fund credit quality rating criteria](#)

### About the fund

**ICICI Prudential Liquid Fund:** ICICI Prudential Liquid Fund was launched by ICICI Prudential Asset Management Company Limited in June 1998. ICICI Prudential Liquid Fund is an open-ended liquid scheme. A relatively low interest rate risk and moderate credit risk. The scheme aims to provide reasonable returns, commensurate with low risk and providing a high level of liquidity through investments made primarily in money market and debt instruments. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved. The fund's assets under management stood at ₹39,742 crore as on September 30, 2022.

### About the 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 ₹476,190.55 (excluding domestic Fund of Funds) crore for the quarter-ended September 30, 2022.

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

**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 for this company:** Annexure-4

#### 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 Liquid Fund	-	-	-	-	-	CARE AAA mfs (Triple A 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 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 (May 31, 2022)	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (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)	-	-

\*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 for this company**

Sr. No.	Name of Instrument	Complexity Level
1.	Credit quality rating	Simple

**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**
**Media contact**

Name: Mradul Mishra

Phone: +91-22-6754 3573

E-mail: [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

**Analyst Contact**

Name: Geeta Chainani

Phone: +91-22-6754 3447

E-mail: [geeta.chainani@careedge.in](mailto:geeta.chainani@careedge.in)

**Relationship Contact**

Name: Saikat Roy

Phone: +91-22-6754 3495

E-mail: [saikat.roy@careedge.in](mailto:saikat.roy@careedge.in)

**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.

**\*\*For the detailed Rationale Report and subscription information, please visit [www.careedge.in](http://www.careedge.in)**