

## ICICI Prudential Asset Management Company Limited

May 31, 2022

### Ratings

Scheme Name	Scheme Type	Rating <sup>1</sup>	Rating Action
ICICI Prudential Floating Interest Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
ICICI Prudential Liquid Fund	Open-Ended Liquid Scheme	CARE A1+mfs [A One Plus mfs]	Reaffirmed
ICICI Prudential Money Market Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
ICICI Prudential Overnight Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
ICICI Prudential Ultra Short Term Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the credit quality ratings assigned to ICICI Prudential Floating Interest Fund, ICICI Prudential Liquid Fund, ICICI Prudential Money Market Fund, ICICI Prudential Overnight Fund, and ICICI Prudential Ultra Short Term Fund. These funds are managed by ICICI Prudential Asset Management Company Limited.

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

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 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/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 evaluation of the fund's investment strategy and portfolio credit risk. It also involves 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 schemes on an ongoing basis to support its published rating opinions. As such, the monthly reports of the funds 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 scores of the above five schemes have been calculated based on the portfolio outstanding as on April 30, 2022, and are within the benchmarks 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 funds

**ICICI Prudential Floating Interest Fund:** ICICI Prudential Floating Interest Fund was launched by ICICI Prudential Asset Management Company Limited in November 2005. ICICI Prudential Floating Interest Fund is an open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps or derivatives). A relatively high interest rate risk and moderate credit risk. The objective of the scheme is to generate income through investing predominantly in floating rate 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 ₹16,087 crore as on April 30, 2022.

**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 ₹39,902 crore as on April 30, 2022.

**ICICI Prudential Money Market Fund:** ICICI Prudential Money Market Fund was launched by ICICI Prudential Asset Management Company Limited in March 2006. ICICI Prudential Money Market Fund is an open ended debt scheme investing in

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

money market instruments. 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 by investing in money market 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 ₹13,002 crore as on April 30, 2022.

**ICICI Prudential Overnight Fund:** ICICI Prudential Overnight Fund was launched by ICICI Prudential Asset Management Company Limited in November 2018. ICICI Prudential Overnight Fund is an open ended debt scheme investing in overnight securities. A relatively low-interest rate risk and relatively low 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 overnight securities having a maturity of one business day. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved. The fund's asset under management stood at about ₹12,781 crore as on April 30, 2022.

**ICICI Prudential Ultra Short Term Fund:** ICICI Prudential Ultra Short Term Fund was launched by ICICI Prudential Asset Management Company Limited in May 2011. ICICI Prudential Ultra Short Term Fund is an open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between three months and six months. A moderate interest rate risk and moderate credit risk. The scheme's investment objective is to generate income through investments in a range of debt and money market instruments. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved. The fund's asset under management stood at about ₹13,266 crore as on April 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 between ICICI Bank (51% holding) (one of the largest private sector banks in India) and Prudential Plc (49% holding) one of the UK's largest players in the financial services sector. The AMC has reported average assets under management (AAUM) for schemes of ICICI Prudential Mutual Fund as ₹4,86,424 crore for the quarter ended March 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 covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of 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 Floating Interest Fund	-	-	-	-	-	CARE AAA mfs [Triple A mfs]
ICICI Prudential Liquid Fund	-	-	-	-	-	CARE A1+ mfs [A One Plus mfs]
ICICI Prudential Money Market Fund	-	-	-	-	-	CARE AAA mfs [Triple A mfs]
ICICI Prudential Overnight Fund	-	-	-	-	-	CARE AAA mfs [Triple A mfs]
ICICI Prudential Ultra Short-term 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 A1+ mfs	-	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 (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 (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 (July 26, 2021)	-	-
5.	ICICI Prudential Floating Interest Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (August 20, 2021)	-	-

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

Not applicable

**Annexure-4: Complexity level of various instruments rated for this company**

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

**Note on 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.

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