

ICICI Prudential Office Yield Optimiser Fund

March 27, 2020

Ratings

Instruments	Tenure	Ratings ¹	Rating Action
ICICI Prudential Office Yield Optimiser Fund	5 Years*	CARE AAA (AIF) [Triple A (Alternative Investment Fund)]	Reaffirmed

*from the date of final closing Extendable by 2 years (one year each)

Detailed Rationale & Key Rating Drivers

CARE has reaffirmed the rating of 'CARE AAA (AIF)' [Triple A (Alternative Investment Fund)] assigned to the ICICI Prudential Office Yield Optimiser Fund (scheme). The asset selection ability and asset management capability in their respective segments for this scheme are expected to be excellent.

CARE's ratings of Alternative Investment Fund (AIF) schemes are an opinion on the asset selection ability and asset management capabilities in their respective segments for these schemes. These ratings are based on the evaluation of the sponsor, evaluation of the investment manager, investment process adopted by the investment manager, risk management systems and operations & technology set up.

The rating factors in support from ICICI Trusteeship Services Ltd (sponsor of the Scheme) which is 100% subsidiary of ICICI Bank Ltd (rated 'CARE AAA; Stable') and significant experience of ICICI Prudential Asset Management Company Ltd (Investment Manager of the Scheme) in the real estate and financial sectors. It also factors in the commitment by the Investment Manager towards subscription to the Scheme.

The rating also considers the robust investment process adopted by the investment team and presence of adequate investment management capabilities.

Continued brand linkages & support from the sponsor and the credit quality of the Scheme's portfolio are key rating sensitivities. The rating considers the stated investment policy, indicative investment strategy.

Background

ICICI Prudential Real Estate AIF (the Fund) is settled as a close-ended irrevocable determinate trust under the Indian Trusts Act, 1882 for the purpose of making investments primarily in the real estate sector across various stages of business in accordance with applicable Law. The Indenture of Trust of the Fund is registered under the Registration Act, 1908. The Fund is registered with the Securities and Exchange Board of India as a Category II Alternative Investment Fund for the purposes of carrying on the activity of an Alternative Investment Fund under the SEBI (Alternative Investment Funds) Regulations, 2012. ICICI Prudential Office Yield Optimiser Fund is the third scheme of the Fund. It is settled as a separate close-ended irrevocable trust under the Indian Trusts Act, 1882. The target size of the Scheme is up to Rs.400 crore with a green shoe option of up to Rs.300 crore exercisable at the discretion of the Investment Manager.

The objective of the Scheme is to make equity and equity linked investments, as well as debt investments in Portfolio Companies that are in the business of owning, constructing and/or operating office properties across major cities like MMR, NCR, Chennai, Pune, Bangalore, Hyderabad & Kolkata with a view to earn rental income from such properties (pre-leased assets).

ICICI Trusteeship Services Ltd is the sponsor of the Scheme and ICICI Prudential Asset Management Company Ltd is the investment manager of the Scheme. Further, IDBI Trusteeship Services Limited is the Trustee to the Fund.

Analytical approach: Standalone

Applicable Criteria:

[Rating Methodology for Rating of Alternative Investment Fund \(AIF\)](#)

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of instruments/facilities

Name of the Fund	Date of Issuance	Coupon Rate	Maturity	Size of the issue (Rs. crore)	Rating assigned along with rating outlook
ICICI Prudential Office Yield Optimiser Fund	-	-	-	-	CARE AAA (AIF)

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-2: Rating History of last three years

Sr. No.	Name of the fund	Current Ratings			Rating history		
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	ICICI Prudential Office Yield Optimiser Fund	-	-	CARE AAA (AIF)	-	1) CARE AAA (AIF) (27-Mar-19)	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications

Contact us**Media Contact**

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com**Analyst Contact 1**

Mr. Ravi Kumar

Contact No: 022-6754 3421/9004607603

Email ID: ravi.kumar@careratings.com**Analyst Contact 2**

Mr. Sanjay Kumar Agarwal

Contact no. – +91-22-6754 3500 / 582

Email ID – sanjay.agarwal@careratings.com**Business Development Contact**

Mr. Ankur Sachdeva

Contact no. : +91 9819698985

Email ID: Ankur.sachdeva@careratings.com**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's alternative investment fund 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 ratings are based on current information furnished to CARE by the issuer or obtained by CARE from sources it considers reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE does not perform an audit in connection with any rating and may, on certain occasions, rely on. The ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. Funds rated by CARE have paid a rating fee.

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