

February 13, 2025

Baroda BNP Paribas Asset Management India Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Baroda BNP Paribas Liquid Fund	-	-	[ICRA]A1+mfs; reaffirmed
Baroda BNP Paribas Ultra Short Duration Fund	-	-	[ICRA]A1+mfs; reaffirmed
Baroda BNP Paribas Money Market Fund	-	-	[ICRA]A1+mfs; reaffirmed
Baroda BNP Paribas Over Night Fund	-	-	[ICRA]A1+mfs; reaffirmed
Total	-	-	

*Instrument details are provided in Annexure I

Rationale and key rating drivers

ICRA has reaffirmed the rating of various debt schemes of Baroda BNP Paribas Asset Management India Private Limited (the asset management company; AMC). The rating has been reaffirmed following ICRA's monitoring of the credit risk profile of the month-end portfolio position of these schemes. The credit risk scores for these schemes were comfortably within the benchmark limits for their current rating levels.

Mutual fund ratings incorporate ICRA's assessment of the creditworthiness of a debt mutual fund scheme's investment portfolio. These ratings are a symbolic representation of the credit risk in the underlying investments or the degree of safety regarding the timely receipt of payments from the investments made by the mutual fund schemes. The ratings do not indicate the AMC and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The ratings do not address market risks and hence should not be construed as an indication of the expected returns, prospective performance of the mutual fund scheme, and the ability to redeem investments at the reported net asset value (NAV) or volatility in its past returns, as all these are influenced by market risks.

ICRA's assessment of debt mutual fund schemes is guided by the credit ratings of the individual investments and the relative share of the schemes' allocation towards the investments, besides the maturity schedule of such investments. ICRA's mutual fund ratings are not a reflection on the quality of the management of the AMC or its financial performance, reputation and other business practices including investment strategies, pricing, marketing and distribution activities. Furthermore, the ratings are not a reflection of whether the AMC or the fund is compliant with the applicable regulatory requirements.

The credit matrix is a tool used by ICRA for analysing the investment portfolio of the debt mutual fund schemes by assessing the portfolio's aggregate credit quality while reviewing the credit quality of each underlying debt security. The portfolio's weighted average credit quality is compared with a benchmark credit score corresponding to the higher of the weighted average maturity of the scheme's portfolio or the maturity predefined by ICRA for the scheme category. The rating outcome corresponds to the rating level for which the portfolio's weighted average credit score is less than the benchmark credit score associated with the rating level. Further, the lowest rating of the investments of the scheme acts as the floor for its rating.

Once a mutual fund scheme is rated and the rating is accepted, ICRA reviews the underlying investment portfolios for the credit scores on an ongoing basis. To this end, ICRA relies on the information provided by the AMC and/or publicly available sources.

ICRA reviews the mutual fund ratings on a monthly basis or earlier, if required, which involves an evaluation of the rating corresponding to the portfolio credit score in relation to the existing outstanding rating. If the portfolio credit score meets the benchmark score for the existing rating, the rating is retained. If the portfolio credit score has a negative breach from the benchmark credit score for the existing rating, ICRA communicates the same to the fund manager/product manager or other officials of the concerned AMC and may provide a month's time to bring the portfolio credit score within the benchmark credit score for maintaining the existing rating level. If the investment composition of the fund is realigned to bring the portfolio credit score within the benchmark credit score, the rating is retained. However, if the portfolio continues to breach the benchmark credit score for the existing rating level, the rating is revised to reflect the change in the portfolio's credit quality.

In case of sharp breaches of the benchmark credit score (for instance due to a multi-notch downgrade in the underlying investment) and/or if ICRA believes that the breach may not get rectified within a month of the ongoing review, the rating is generally corrected immediately without giving a month's time for rebalancing the portfolio. If the AMC corrects its portfolio, post the rating downgrade of the scheme, or the credit score improves in any manner subsequent to the downgrade, making the scheme eligible for an upgrade, ICRA may consider a rating upgrade only if the credit score is maintained consistently for a period of at least three months.

Liquidity position: Not applicable

Rating sensitivities

Positive factors – Not applicable

Negative factors –

For Baroda BNP Paribas Over Night Fund – ICRA could downgrade the rating of the scheme if the credit quality of the underlying investment deteriorates, leading to a breach in the threshold for the rating level

For other schemes – ICRA could downgrade the rating of the schemes if the credit quality of the underlying investment deteriorates or the size of the assets under management (AUM) declines, which may result in an increase in the share of lower rated investments, leading to a breach in the threshold for the rating level.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA Rating Methodology – Mutual Funds
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the company

Baroda Asset Management Company Limited merged its asset management business with BNP Paribas Asset Management India Private Limited (the surviving AMC), effective March 14, 2022. As a part of the entire transaction, Bank of Baroda and BNP Paribas Asset Management Asia Limited hold 50.1% and 49.9%, respectively, in the merged AMC. The fund's average AUM was ~Rs. 46,791 crore in Q3 FY2025.

Baroda BNP Paribas Liquid Fund

Baroda BNP Paribas Liquid Fund is an open-ended debt scheme. The investment objective is to generate income with a high level of liquidity by investing in a portfolio of money market and debt securities. The portfolio is largely invested in high rated and liquid instruments. The fund's AUM stood at ~Rs. 8,842 crore as on December 31, 2024.

Baroda BNP Paribas Ultra Short Duration Fund

Baroda BNP Paribas Ultra Short Duration Fund is an open-ended debt scheme. The investment objective is to generate regular income by investing in a portfolio of debt and money market instruments such that the Macaulay duration of the portfolio is between 3 months 6 months. The fund's AUM stood at ~Rs. 1,119 crore as on December 31, 2024.

Baroda BNP Paribas Money Market Fund

Baroda BNP Paribas Money Market Fund is an open-ended debt scheme investing in money market instruments. The stated objective of the scheme is to generate reasonable returns, commensurate with low risk, while providing a high level of liquidity through investments made in money market instruments. The fund's AUM stood at ~Rs. 422 crore as on December 31, 2024.

Baroda BNP Paribas Over Night Fund

Baroda BNP Paribas Over Night Fund is an open-ended debt scheme investing in overnight securities. The stated objective of the scheme is to generate returns commensurate with low risk and provide a high level of liquidity through investments made primarily in overnight securities. The scheme invests in debt and money market instruments with a maturity of one business day. The fund's AUM stood at ~Rs. 822 crore as on December 31, 2024.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2025)			Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Date & rating	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022
				Feb 13, 2025	Mar 06, 2024	Mar 28, 2023	Apr 1, 2022	-
1	Baroda BNP Paribas Liquid Fund	ST	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	-
2	Baroda BNP Paribas Ultra Short Duration Fund	ST	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	-
3	Baroda BNP Paribas Money Market Fund	ST	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	-
4	Baroda BNP Paribas Over Night Fund	ST	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	-

ST – Short term

Complexity level of the rated instrument

Instrument	Complexity indicator
Mutual fund	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instrument are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

Not applicable

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Kruti Jagad
+91 22 6114 3447
kruti.jagad@icraindia.com

Arti Verma
+91 124 4545 313
arti.verma@icraindia.com

Anil Gupta
+91 124 4545 314
anilg@icraindia.com

Vaibhav Arora
+91 124 4545 386
vaibhav.arora@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6169 3304
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.