Policy on Intraday Borrowing / Intraday Credit Line Facility

Version: 1.0
Effective Date: 1 September 2026
Approved By: Board of Directors of AMC and Trustees
Policy Owner: Operations

1. Purpose

This policy establishes the governance framework, approval process, monitoring mechanism, reporting requirements, and operational controls for availing and managing Intraday Borrowing (Intraday Credit Line) facilities in compliance with SEBI (Mutual Funds) Regulations, 2026 and applicable circulars.

2. Scope

This policy shall apply to:

- All Mutual Fund Schemes managed by the AMC.
- All intraday borrowing facilities availed from banks or approved counterparties.

3. Permitted Uses of Intraday Borrowing

Intraday borrowing may be availed only for the following purposes:

- All unitholder pay-outs such as redemptions, IDCW pay-outs etc.
- All type of pay-ins with respect to investments made by the schemes.
- MTM obligations and foreign exchange settlements.
- Repayment of existing borrowings.

4. Limits on Intraday Borrowings

Intraday borrowing shall be restricted to

- Guaranteed receivables such as inflows from RBI, Clearing Corporations
- Subscription inflows received in scheme bank accounts etc.
- Non-guaranteed receivables sighted during the day such as inflows from maturity proceeds and/or secondary market settlement from NCDs, CP, CDs, OTC Swaps, etc. and to be received by the scheme by end of the day.
- Any additional intraday borrowing beyond the above may only be availed for meeting redemption and other investor payouts as permitted under applicable SEBI regulations.

5. Monitoring and Control Framework

Operations shall maintain an Intraday Credit Line Reporting Module in the operating system with the following capabilities:

5.1 Intra-day Borrowing Projection on T-1 day for the T day

On T-1 day, the operating system shall provide visibility of:

- Expected cash outflows for T day.
- Trade Settlement obligations of T day
- Anticipated funding requirements of T day

5.2 Net Position (All Inflows Minus Intra-day borrowing) on T day

On the T day, the system shall provide:

- Subscription inflows.
- Guaranteed receivables
- Settlement Inflows
- Net Position

6. Repayment Requirements

- All intraday borrowings must be repaid before the end of the business day.
- Any borrowing converted into an overnight borrowing shall comply with regulatory limits and permitted purposes under SEBI regulations.
- Operations shall monitor repayment throughout the day and ensure timely closure of the facility.

7. Cost and Liability

- Any cost associated with intraday borrowing shall be borne by the AMC.
- Any losses, penalties, charges, or costs arising from delayed receipt of expected receivables or unforeseen events shall be borne by the AMC and shall not be charged to the scheme.

8. Compliance and Review

- This policy shall be reviewed as and when required due to changes in regulations, processes etc
- The approved policy shall be hosted on the AMC website as required by SEBI.

9. Roles and Responsibilities

Function	Responsibility
Banking Operations	Daily monitoring and reporting
AMC Board & Trustees	Policy approval and governance