INTRADAY BORROWING POLICY

Version 1.0

Bajaj Asset Management Ltd
(formerly Bajaj Finserv Asset Management Limited)
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1. Introduction

This Intraday Borrowing Policy ("the Policy") is framed by Bajaj Asset Management Limited (formerly Bajaj Finserv Asset Management Limited) ("the AMC"), the asset management company to Bajaj Finserv Mutual Fund ("the Mutual Fund"), to govern the use of the intraday borrowing facility availed by the schemes of the Mutual Fund.

SEBI, vide Gazette Notification no. CG-MH-E-07072026-274229 dated July 3, 2026, amended the SEBI (Mutual Funds) Regulations, 2026 to permit intraday borrowings by mutual funds to address liquidity mismatches arising from differences in market settlement timings. Pursuant to the same, SEBI issued Circular no. HO/(92)2026-IMD-POD-2/I/16006/2026 dated July 10, 2026 ("the SEBI Circular") prescribing the conditions applicable to such intraday borrowings, which shall come into effect from September 1, 2026.

This Policy is framed to give effect to the requirement specified under clause 2.4 of the SEBI Circular that the Boards of the AMC and Trustees approve a policy for use of the intraday borrowing facility, and that such policy be made available on the website of the AMC and include, inter-alia, approval processes and monitoring mechanisms.

2. Definitions

- "Intraday Borrowing" means borrowing availed and repaid by a scheme within the same business day, to meet the purposes specified in this Policy.
- "Overnight Borrowing" means an intraday borrowing that is not repaid by end of day and is carried over, subject to regulatory limits and permitted purposes under Regulation 42(1) of the SEBI (Mutual Funds) Regulations, 2026.
- "Guaranteed Receivables" means inflows such as those from RBI, Clearing Corporations, and subscription inflows received in scheme bank accounts, etc.
- "Non-Guaranteed Receivables" means inflows sighted during the day such as maturity proceeds and/or secondary market settlement from NCDs, CP, CDs, OTC Swaps, etc., expected to be received by the scheme by end of day.
- Words and expressions used but not defined herein shall have the meaning assigned to them under the SEBI (Mutual Funds) Regulations, 2026, the SEBI Circular, the Master Circular for Mutual Funds, and applicable law.

3. Governing Laws

- Securities and Exchange Board of India Act, 1992 — Section 11(1).
- SEBI (Mutual Funds) Regulations, 2026.
- SEBI Gazette Notification no. CG-MH-E-07072026-274229 dated July 3, 2026.
- SEBI Circular no. HO/(92)2026-IMD-POD-2/I/16006/2026 dated July 10, 2026.
- SEBI Master Circular for Mutual Funds dated March 20, 2026.

4. Scope of Policy

This Policy applies to intraday borrowings availed by all schemes of the Mutual Fund managed by the AMC, in accordance with the purposes and quantum limits set out below.

4.1 Permitted Purposes

The Mutual Fund may avail intraday borrowings for the following purposes:

i. All unitholder pay-outs such as redemptions, IDCW pay-outs, interest, etc.

ii. Pay-in with respect to investments made by the scheme.

iii. MTM obligations and foreign exchange settlements.

iv. Repayment of existing borrowings.

4.2 Quantum of Intraday Borrowings

The quantum of intraday borrowings shall be limited to:

i. Guaranteed receivables such as inflows from RBI, Clearing Corporations, subscription inflows received in scheme bank accounts, etc.
ii. 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.
iii. In addition to the above two categories, Intraday borrowing may be availed solely for the purpose of meeting redemption and other pay-out to the unitholders as specified under Regulation 42(1) of the SEBI (Mutual Funds) Regulations, 2026.

5. Effective Date of Policy

This Policy is effective from September 1, 2026, being the effective date of the SEBI Circular, or from the date of approval by the Boards of the AMC and Trustees, whichever is later.

6. Roles and Responsibilities

The AMC shall maintain scheme-wise records detailing the underlying liquidity mismatch and the expected source of repayment for the intraday borrowing. The AMC will monitor the intraday borrowings at scheme level are within the guaranteed and non-guaranteed receivables wholly for the purpose as specified in the regulation.

7. Detailed Process

7.1 Escalation Process

Any situation where intraday borrowing remains outstanding beyond the end of the day, receivables fail to materialize, or any event that materially impairs the timely repayment of the borrowing, shall be immediately escalated to the members of Investment Committee and Chief of Operations.

7.2 Repayment

The AMC shall be responsible for ensuring that intraday borrowings are repaid by the end of the day. Any intraday borrowings converted to overnight borrowings shall be within regulatory limits and for the purposes allowed under Regulation 42(1) of the SEBI (Mutual Funds) Regulations, 2026.

7.4 Cost and Losses

In line with para 11.10 of the Master Circular, the cost of intraday borrowing, if any, shall be borne by the AMC. Further, any loss or cost incurred on account of any unforeseen event or delay in receiving the funds from receivables (as referred to under the quantum limits above) shall also be borne by the AMC.

8. Disclosures

This Policy shall be made available on the website of the AMC.

9. Review of the Policy

The Policy shall be reviewed at least annually or on need basis, if required. Any subsequent amendment / modification in the Regulation and /or other applicable laws in this regard shall apply to this Policy.

10. Abbreviation Key

Abbreviation	Full Form
AMC	Asset Management Company
AMFI	Association of Mutual Funds in India
CD	Certificate of Deposit
CP	Commercial Paper
IDCW	Income Distribution cum Capital Withdrawal
MTM	Mark to Market
NCD	Non-Convertible Debenture
OTC	Over the Counter
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India