Groww Mutual Fund

Policy on Intraday Borrowing

Approver	Board of AMC & Trustees
Date of approval	July 31st , 2026
Status	Approved
Version	1.0 / 2026-27

History Sheet / Changes from last version

Period	Particulars
July 2026	New Policy

The objective of an Intraday Borrowing Policy is to manage short-term funding needs on account of timing mismatch of inflow and outflow of funds during the day within the Mutual fund schemes while ensuring risk control and regulatory compliance.

As a Industry practice, the redemption payouts to the investors are processed in the morning hours of T+1 day whereas the mutual fund schemes receive the maturity proceeds from TREPS and reverse repo in the evening hours of T+1 day. Hence In order to bridge the intraday timing mismatch, the mutual funds enter into formal intraday borrowing arrangements with financial institution such as banks.

Borrowing by Mutual Fund Schemes

The mutual fund schemes shall avail intraday borrowing for the following purposes –

- Unitholders pay outs such as redemptions , IDCW pay outs , interest etc
- Pay in with respect to Investments made by the scheme
- MTM obligations and foreign exchange settlements
- Repayment of existing borrowings

AMCs will ensure that intraday borrowings are repaid by end of the day and any intraday borrowings converted to overnight borrowings are within regulatory limits and for the purposes allowed in Regulation 42(1) of SEBI (Mutual Funds) Regulations, 2026.

Further the quantum of intraday borrowing shall be limited 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.
- Intraday borrowing in addition to above points may be availed by AMCs solely for the purpose of meeting redemption and other pay-out to the unitholders as specified under Regulation 42(1) of SEBI (Mutual Funds) Regulations, 2026.

Banking Operation Team shall maintain the scheme wise records detailing the underlying liquidity mismatch and the expected source of repayment for the intra-day borrowing.

AMCs shall ensure compliance of clauses 6 and 7 of Fourth Schedule of SEBI (Mutual Funds) Regulations, 2026 and para 17.7 of the Master Circular.

Cost of Borrowing

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 guaranteed or non-guaranteed receivables shall also be borne by the AMC

Policy revisit frequency

The policy shall be revisited once a year or on need basis.

Policy Approval

This Policy shall be reviewed and approved by the Board of AMC and Trustee at least once every year or earlier, if required, due to any regulatory changes, business requirements, or material changes in the operating environment.