Policy on Intraday Borrowing

Baroda BNP PARIBAS MUTUAL FUND

Name of Policy	Policy on Intraday Borrowing
Policy ID	BBNPP/OPS/RG/08
Policy Version	1.0
Owner of Policy	Operations Department
Nature of Policy	**Mandatory** ✓ **Internal** **Recommendatory** [Kindly insert a (✓) symbol where applicable]
Creation date	August 18, 2026
Effective date	September 1, 2026
Approver(s)	Board of directors of Baroda BNP Paribas Asset Management India Private Limited (“**AMC**”) ✓ Board of directors of Baroda BNP Paribas Trustee India Private Limited (“**Trustee Company**”) ✓

VERSION MONITORING

Version	Author	Writing date	Part(s) modified or to be updated	Modification(s) reason	Approval date
1.0	Operations team	August 18, 2026	NA. New Policy	NA	Board of AMC – August 28, 2026 Board Of Trustee – August 29, 2026

DEPARTMENT(S) INVOLVED

Operations

REFERENCE or RELATED PROCEDURE(S) or TEXT(S)

Regulation 42 of SEBI (Mutual Funds) Regulations, 2026
SEBI Master Circular dated March 20, 2026
SEBI Circular HO/(92)2026-IMD-POD-2/I/16006/2026 dated July 10, 2026

CIRCULATION LIST

Nature of circulation	Yes/No
Public circulation*	Yes
Internal circulation**	Yes

**Public circulation means and refers to circulation on the website of the AMC and AMFI, as may be required under applicable law and made available to the public.*
*** Internal circulation means and refers to circulation within the entity*

1. Introduction and Objective

The objective of this Policy is to establish a framework for the use of intraday borrowing facilities to manage temporary liquidity mismatches while ensuring regulatory compliance and investor protection.

This Policy is framed in accordance with the Regulation 42 of SEBI (Mutual Funds) Regulations, 2026, SEBI Circular HO/(92)2026-IMD-POD-2/I/16006/2026 dated July 10, 2026 read with Clause 5.9.2 of SEBI Master Circular HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, on “Borrowing by Mutual Funds”.

2. Applicability and Purpose

This Policy is applicable to all existing and future schemes of the Fund effective September 1, 2026.

Redemption payouts are processed on a T+1 or T+2 basis, depending on the nature of the scheme. As per standard operating procedure, redemption payouts are disbursed at the commencement of business hours, while the schemes receive inflows from TREPS payouts, maturity proceeds, and accruals during the course of the day. On account of this timing mismatch, the AMC avails of an intraday facility, which enables the Mutual Fund scheme to honour redemption payouts against anticipated receivables prior to the close of business on the same day.

Pursuant to Regulation 42(1) of SEBI (Mutual Funds) Regulations, 2026, the mutual fund shall not borrow except to meet temporary liquidity needs for the purpose of repurchase or redemption of units or payment of interest or Income Distribution cum Capital Withdrawal payout to the unitholders or for settlement of trades by equity oriented index funds and equity oriented exchange traded funds on account of under execution of sell trades on the stock exchange in the manner as may be specified by SEBI from time to time. Such borrowings shall not exceed 20% of net assets of a scheme and duration of such borrowings shall not exceed a period of 6 months.

Further, the SEBI Circular on Intraday borrowing facility availed by mutual funds dated July 10, 2026, allows the mutual funds to avail intraday borrowing for addressing timing mismatch between outflows and inflows of a scheme, under below mentioned scenarios. Below is the indicative list.

- Unitholder Obligations: Payouts related to Redemptions, IDCW, interest, etc.
- Investment Settlements: Pay-in obligations for secondary or primary market investments made by the scheme(s).
- Margin & FX Obligations: Mark-to-Market (MTM) margin calls and foreign exchange settlements.
- Refinancing: Repayment of existing borrowings.

3. Permissible Limits

The quantum of intraday borrowings shall be limited to:

a) Guaranteed receivables such as inflows from RBI, Clearing Corporations, subscription inflows received in scheme bank accounts etc.
b) 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.
c) Intraday borrowing in addition to clause (a) and (b) 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.

4. Governance & Monitoring Mechanism

AMC shall be responsible for ensuring 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.

AMC shall maintain and monitor the scheme wise records i.e. Cash Flow detailing the underlying liquidity mismatch and the expected source of repayment for the intra-day borrowing.

AMC will review the intraday facilities on an annual basis to ensure this meets the current and future requirements. Any change in existing intraday facility will be approved by the COO and CEO.

5. Borrowing related costs

All costs associated with 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 mentioned at Para 3a and 3b above) shall also be borne by the AMC.

6. Policy Review Periodicity

The AMC shall review this policy on an annual basis or earlier, if required, in light of change in applicable law and/or for business reasons. The same shall be placed with the Boards of AMC and Trustee for their approval and/or noting.

7. Disclosure

The approved policy document, along with any subsequent amendments, shall be hosted permanently on the AMC's public website for investor accessibility.

8. Acronyms

Acronyms	Full Forms
AMC	Baroda BNP Paribas Asset Management India Private Limited
CD	Certificate of Deposit
CP	Commercial Paper
IDCW	Income Distribution cum Capital Withdrawal
IDL	Intra Day Line
MF	Mutual Fund
MTM	Mark to Market
NCD	Non-Convertible Debentures
OTC	Over the Counter
RBI	Reserve Bank of India
SEBI or "the Regulator"	Securities and Exchange Board of India
TREPS	Triparty Repo Dealing and Settlement
Trustee	Baroda BNP Paribas Trustee India Private Limited