

Intraday Borrowing Policy

UNIFI ASSET MANAGEMENT PRIVATE LIMITED

Policy on Intraday Borrowing Facility for Mutual fund Schemes

1. Introduction and Regulatory Background

Unifi Mutual Fund ("the Fund") is a fund registered with SEBI under SEBI (Mutual Funds) Regulations, 2026, vide registration number MF/082/24/08 dated November 13, 2024. Unifi Asset Management Private Limited ("UAMC") is the Investment Manager to the Fund and Unifi Mutual Fund Trustees Private Limited ("Trustee"/"Trustees") is the Trustees of the Unifi Mutual Fund.

UAMC manages the Mutual fund schemes as per the provisions of the respective Scheme Information Documents, Key Information Memorandum, Statement of Additional Information, provisions of the Investment Management Agreement, the Trust Deed and the SEBI (Mutual Funds) Regulations, 2026 (as amended from time to time).

In order to address liquidity mismatches due to difference in market settlement timings, SEBI vide Gazette Notification no. CG-MH-E-07072026-274229 dated July 3, 2026 carried out amendment to SEBI (Mutual Funds) Regulations, 2026 to permit intraday borrowings by mutual funds for various purposes as specified in circular no. HO/(92)2026-IMD-POD-2/I/16006/2026 dated 10th July 2026

In accordance with the above SEBI directive, UAMC has put this policy in place.

2. Objective

This Policy sets out the framework, purposes, limits, approval mechanism, internal controls, cost allocation and disclosure requirements governing the availing of intraday borrowing by the schemes of the Fund from banks/financial institutions permitted under applicable regulations and approved under the internal governance framework of UAMC, in order to:

- bridge temporary cash-flow mismatches arising from differences between settlement/receipt timelines and payment obligations of a scheme on the same business day;
- ensure timely discharge of payment obligations to unitholders and counterparties without disrupting settlement;
- ensure that intraday borrowing is availed strictly within the purposes, caps and safeguards prescribed by SEBI; and
- ensure appropriate monitoring and record-keeping in relation to such borrowing.

3. Applicability

This Policy applies to all schemes of the Unifi Mutual Fund in respect of which the AMC ("UAMC") avails, or proposes to avail, intraday borrowing on behalf of a scheme.

4. Definitions

1. "Intraday Borrowing" means borrowing availed by a scheme of the Fund to address a timing mismatch between outflows and inflows of the scheme, which is drawn down and repaid within the same business day and does not remain outstanding at the end of that day.
2. "Overnight Borrowing" means any borrowing availed for a period of one business day and repaid on next business day; such borrowing shall be governed by, and shall be reckoned within, the borrowing limits prescribed under Regulation 42 of the SEBI (Mutual Funds) Regulations, 2026.
3. "Guaranteed Receivables" means guaranteed inflows due to or receivable by the scheme on the same business day, including inflows from the Reserve Bank of India, recognized Clearing Corporations and subscription inflows already received in the scheme's bank account, and such other receivables as may be recognized by SEBI from time to time.
4. "Non-Guaranteed Receivables" means receivables sighted during the day which are reasonably expected to be received by the scheme by the end of the same business day, including maturity proceeds and/or secondary-market settlement proceeds relating to NCDs, CPs, CDs, OTC swaps and such other receivables as may be permitted by SEBI from time to time.

5. Permitted Purposes

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

No intraday borrowing shall be availed, structured, or utilised for any purpose other than those listed above or for any purpose inconsistent with Regulation 42 of the SEBI (Mutual Funds) Regulations, 2026.

6. Borrowing Limits and Sizing

The quantum of intraday borrowing availed by a scheme shall be limited to the following:

(a) guaranteed receivables due to the scheme on the same business day;

(b) non-guaranteed receivables sighted during the day and reasonably expected to be received by the scheme by the end of the same business day; and

(c) in addition to the above, such further intraday borrowing as may be availed solely for the purpose of meeting redemption and other payout obligations to unitholders as permitted under Regulation 42(1) of the SEBI (Mutual Funds) Regulations, 2026.

UAMC shall ensure that the quantum of intraday borrowing is commensurate with the underlying liquidity mismatch and is within the limits and conditions prescribed by SEBI from time to time.

7. Repayment and Treatment of Overnight Borrowing

UAMC shall be responsible for ensuring that intraday borrowings are repaid by end of the day. All intraday borrowings availed by a scheme shall be repaid in full by the end of the same business day by that Scheme

Where, on account of unforeseen circumstances, an intraday borrowing cannot be repaid by the end of the day, the UAMC shall ensure that such borrowing is treated as an overnight borrowing and is brought within the applicable regulatory limits and is used only for the purposes permitted under Regulation 42(1) of the SEBI (Mutual Funds) Regulations, 2026.

All such instances where intraday borrowing get converted into overnight borrowing will be reported to the CEO, CRO, CIO and Compliance Officer.

8. Internal Controls

Drawdown of intraday borrowing shall only be against permitted purposes listed in Section 5 and within the limits mentioned in Section 6

Operations team shall maintain a scheme-wise, day-wise record identifying the liquidity mismatch necessitating the borrowing and the expected source of repayment for the intra-day borrowing. Such records shall be monitored by the Head of Operations and Finance.

UAMC 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.

These records shall be preserved in accordance with the SEBI (Mutual Funds) Regulations, 2026 and shall be made available upon request.

9. Cost and Loss Allocation

The cost of intraday borrowing, including interest, charges, fees and any other associated costs, shall be borne by UAMC and shall not be charged to the schemes.

Any loss or cost incurred by the scheme on account of any unforeseen event or delay in receipt of guaranteed or non-guaranteed receivables against which intraday borrowing was availed shall also be borne by UAMC and shall not be passed on to the scheme or its unitholders.

10. Disclosure and Reporting

- This Policy, as approved by the Board of the AMC and the Trustees, shall be disclosed on the AMC's website.
- Any material deviation from this Policy shall be reported to the Board of UAMC and the Board of Trustees in accordance with the applicable internal governance framework. Any instance involving a breach of the SEBI (Mutual Funds) Regulations, 2026, applicable SEBI circulars or other regulatory requirements shall be reported to SEBI.
- Any other disclosure required under the Circular, the SEBI (Mutual Funds) Regulations, 2026, or the

Master Circular for Mutual Funds, as amended from time to time, shall be complied with.

11. Policy Review and Amendment

This Policy shall be reviewed by UAMC and placed before the Board of UAMC and the Board of Trustees for approval at least once every year or earlier, if required, due to any regulatory changes, business requirements, or material changes in the operating environment.

12. Effective Date

This Policy is effective from September 1, 2026, being the effective date prescribed under the Circular, and shall apply to all intraday borrowings availed by the schemes of the Fund on or after that date.