



Central Depository Services (India) Limited

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CDSL/OPS/RTA/POLCY/2026/201

July 14, 2026

SEBI CIR - INTRADAY BORROWING FACILITY AVAILED BY MUTUAL FUNDS

Issuers / RTAs are advised to refer to the SEBI Circular no. **HO/(92)2026-IMD-POD-2/16006/2026** dated July 10, 2026, regarding **Intraday borrowing facility availed by mutual funds** [refer Annexure].

Issuers / RTAs are advised to take note of the same.

Queries regarding this communiqué may be addressed to: CDSL – Helpdesk Emails may be sent to: dprtasupport@cdslindia.com and connect through our **IVR Number 022-62343333**.

For and on behalf of
Central Depository Services (India) Limited

sd/-

Nilesh Shah
Vice President

CIRCULAR

HO/(92)2026-IMD-POD-2/I/16006/2026

July 10, 2026

**All Mutual Funds/
All Asset Management Companies (AMCs)/
All Trustee Companies/ Board of Trustees of Mutual Funds/
Association of Mutual Funds in India (AMFI)/**

Sir / Madam,

Subject: Intraday borrowing facility availed by mutual funds

1. 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 this circular.
2. Accordingly, in supersession of the guidelines on borrowings of mutual funds specified in clause 5.9.1 of the SEBI Master Circular for Mutual Funds dated March 20, 2026 ("the Master Circular") and SEBI Circular no. HO/(92)2026-IMD-POD-2/I/7885/2026 dated March 25, 2026, intraday borrowings by mutual funds shall be subject to the following conditions:
 - 2.1. Mutual Funds may avail intraday borrowings for the following purposes:
 - 2.1.1. All unitholder pay-outs such as redemptions, IDCW pay-outs, interest etc.
 - 2.1.2. Pay-in with respect to investments made by the scheme.
 - 2.1.3. MTM obligations and foreign exchange settlements.
 - 2.1.4. Repayment of existing borrowings.

2.2. The quantum of intraday borrowings shall be limited to:

- 2.2.1. Guaranteed receivables such as inflows from RBI, Clearing Corporations, subscription inflows received in scheme bank accounts etc.
- 2.2.2. 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.
- 2.2.3. Intraday borrowing in addition to clause 2.2.1 and 2.2.2 may be availed by AMC's 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.

2.3. AMC's 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.

2.4. Boards of AMC and Trustees of a mutual fund shall approve the policy for use of intraday borrowing facility. The policy shall be made available on the website of AMC. The policy shall, *inter-alia*, include approval processes, monitoring mechanism etc.

2.5. AMC's shall maintain scheme wise records detailing the underlying liquidity mismatch and the expected source of repayment for the intra-day borrowing.

2.6. AMC's 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.

- 2.7. In line with para 11.10 of the Master Circular, 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 mentioned at clause 2.2.1 and 2.2.2 above shall also be borne by the AMC.
3. This circular shall come into effect from September 1, 2026.
4. The circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 42(2) and Regulation 84 of SEBI (Mutual Funds) Regulations, 2026, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
5. This Circular is available at www.sebi.gov.in under the link “Legal > Circulars”.

Yours sincerely,

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General Manager
Investment Management Department
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