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Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations For Which Action May Have Been Taken Or Is In The Process Of Being Taken By Any Regulatory Authority

(For the last 5 Financial Years and wherever the amount of penalty is more than Rs. 5 lakhs)

1. *Penalties and action(s) taken against foreign Sponsor(s) limited to the jurisdiction of the country where the principal activities (in terms of income/revenue) of the Sponsor(s) are carried out and where the headquarters of the Sponsor(s) is situated. Also, top 10 monetary penalties of foreign Sponsor(s) during the last five financial years.*

   Not Applicable.

2. *In case of Indian Sponsor(s), details of all monetary penalties imposed and/or action taken during the last five financial years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last five financial years shall also be disclosed.*

   1) RBI by an order dated November 28, 2025 imposed penalty of Rs. 91 lakhs (Rupees Ninety one lakhs only) in view of contraventions of the directions contained in Section 7(a) (b) & (c) of Reserve Bank of India (Interest Rate on Advances) Directions, 2016; Paragraph 2 of Annexure to the Reserve Bank circular dated November 3, 2006 on 'Guidelines on Managing Risks and Code of Conduct in outsourcing of Financial Services by banks' read with Paragraph 8(b) of 'Reserve Bank of India (KYC) Directions' and Section 19(1)(a) read with Section 6(1) of the Banking Regulation Act, 1949.The Bank has since undertaken corrective action to address the issue. The penalty was paid by the Bank on December 01, 2025.

   2) Dubai Financial Services Authority ("DFSA") has issued a decision notice dated September 26, 2025 on HDFC Bank's Dubai International Financial Centre ("DIFC Branch") prohibiting them from:
      a) soliciting or conducting any business with new Clients (which is to say, any Client who has not completed HDFC DIFC's onboarding process as at 25 September 2025) that constitutes or may constitute the carrying on of Financial Services of Advising on Financial Products, Arranging Deals in Investments, Arranging Credit and Advising on Credit and Arranging Custody; and
      b) soliciting, onboarding or engaging in any Financial Promotions with any new Client (together the Prohibition).

      This Prohibition does not apply to the onboarding of and subsequent conduct of business with the Non DIFC Customers. The Prohibition is effective from September 25, 2025 and will remain in place until otherwise amended or revoked in writing by the DFSA.

   3) RBI by an order dated March 26, 2025 imposed penalty of Rs. 75 lakhs (Rupees Seventy five lakhs only) in view of non-compliance with the Reserve Bank Master Direction on 'Know Your Customer (KYC). Penalty emanates from statutory inspections of the Bank with reference to its financial position as on March 31, 2023. The penalty was paid by the Bank on March 28, 2025.

4) RBI by an order dated September 10, 2024 imposed penalty of Rs. 1 crore (Rupees one crore only) in view of non-compliance with the Reserve Bank directions on 'Interest Rate on Deposits' and 'Recovery Agents engaged by Banks'. Penalty emanates from statutory inspections of the Bank with reference to its financial position as on March 31, 2022. The penalty was paid by the Bank on September 17, 2024. The RBI disposed of adjudication proceedings initiated vide Show Cause Notice dated February 20, 2024.

5) SEBI had issued Show Cause Notice dated June 19, 2023 to HDFC Bank as designated depository participant in the matter of Foreign Portfolio Investors not meeting eligibility criteria prescribed under SEBI (Foreign Portfolio Investors) Regulations. Response to the Show Cause Notice was submitted to SEBI vide letter dated August 15, 2023 and settlement application was also submitted to SEBI. A settlement amount of Rs. 9,18,755.90 was paid by HDFC Bank to SEBI on January 17, 2024. SEBI vide Settlement Order dated February 29, 2024 disposed of adjudication proceedings initiated vide Show Cause Notice dated June 19, 2023.

6) RBI by an order dated May 27, 2021, levied a penalty of Rs. 10 cores (Rupees ten crores only) for marketing and sale of third-party non-financial products to HDFC Bank's auto loan customers, arising from a whistle blower complaint, which revealed, inter alia, contravention of Section 6(2) and Section 8 of the Banking Regulation Act, 1949. The Bank has discontinued the sale of said third-party non-financial product since October 2019. The penalty was paid by the Bank on June 07, 2021.

7) SEBI issued final order on January 21, 2021, levying a penalty of Rs. 1 crore on the Bank, in the matter of invocation of securities pledged by BMA Wealth Creators (BRH Wealth Kreators) for availing credit facilities. SEBI also directed the Bank to transfer sale proceeds of Rs. 158.68 crores on invocation of securities, along with interest to escrow account with a nationalised bank by marking lien in favour of SEBI. The Bank challenged SEBI's order before SAT and SAT, vide its interim order, stayed operation of SEBI's order. SAT, vide its final order dated February 18, 2022, allowed the Bank's appeal and quashed SEBI's Order. There are no further developments in the matter, hence it has been considered as closed.

8) RBI issued an Order dated December 02, 2020 ("Order") to HDFC Bank Limited (the "Bank") with regard to certain incidents of outages in the internet banking/mobile banking/ payment utilities of the Bank over the past 2 years, including the outages in the Bank's internet banking and payment system on applications digital also imposed restrictions and (b) to stop sourcing of new credit card customers. The Bank initiated remedial activities including fixing of staff accountability and the same November 21, 2020 due to a power failure in the primary data centre. RBI, vide above order, advised the Bank (a) to stop all digital business generating activities planned under its 'Digital 2.0' and proposed Business generating were communicated to the RBI. Basis the Bank's submission, RBI vide its letter dated August 17, 2021, relaxed the restriction placed on sourcing of new credit cards customers and further vide its letter dated March 11, 2022 lifted the restrictions on the business generating activities planned under the Bank's Digital 2.0 program.

3. *Details of all enforcement actions (including the details of violation, if any) taken by SEBI in the last five financial years and/or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/or suspension and/or cancellation and/or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the*

Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel (especially the fund managers) of the AMC and Trustee Company were/are a party.

Please refer to the disclosures at sub-point (5) and (7) of point (2) above.

4. *Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel are a party.*

   In accordance with applicable SEBI MF Regulations and the relevant Scheme Information Document's (SID) a few of the schemes of HDFC Mutual Fund ("the Fund") had made investments in Pass Through Certificates (PTCs) of certain securitisation trusts ("the Trusts"). The returns filed by few of these Trusts whose PTCs were held by the Fund were taken up for scrutiny by the Income Tax Authorities for Assessment Years 2007-08, 2008-09, 2009- 10 and 2010-11. Arising out of this, they had raised a tax demand on such Trusts. On failure to recover the same from them, they sent demand notices to the Fund along with other Mutual Funds as beneficiaries/contributors to such Trusts. The Fund in consultation with its tax and legal advisors had contested the applicability of such demand and got the attachment order vacated by the Mumbai High Court in March 2012. The Securitisation Trusts on their part have contested the matter and the ITAT has upheld their appeal and dismissed the contentions and all the cross - appeals filed by the Tax Authorities. The Trusts on their part contested the matter and the ITAT upheld their appeal and dismissed the contentions and all the cross - appeals filed by the Tax Authorities. The Tax authorities have on their part preferred an appeal in the High Court against the ITAT order, where the matter was heard on February 5, 2025. Certain appeals have been admitted for hearing on a few questions of law and the others have been dismissed on account of the tax effect being below specified thresholds. The admitted matters may come up for hearing over the next few years.

   The Sponsor, Trustee, AMC or any of their directors and/or key personnel are not a party to this litigation. This disclosure is being made as few of the Schemes of the Fund are beneficiaries under the Trusts.

5. *Any deficiency in the systems and operations of the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or notified by any other regulatory agency.*

   None.