

By Speed Post and email
NHB (ND)/DOS/Sup./A-2104/2020
March 04, 2020 ✓

The Chief Executive Officer
KIFS Housing Finance Private Ltd,
C -902 Lotus Corporate Park,
Graham Firth Compound,
Western Express Highway, Goregaon (E),
Mumbai- 400063

Sir,

Show Cause Notice to the Company for non compliance of Para 27(A) of the Housing Finance Companies (NHB) Directions, 2010

The inspection of KIFS Housing Finance Private Limited was undertaken by National Housing Bank with reference to its position as on 31-03-2019 and the reply received from the Company vide letter dated 26th December 2019, in response to Bank's letter NHB (ND)/HFC/DRS/Sup./A-13237 /2019 dated December 06, 2019 was examined.

2. As per Para 27(A) of the Housing Finance Companies (NHB) Directions, 2010 the Loan to Value (LTV) Ratio shall be computed as a percentage with total outstanding in the account (viz, "principal + accrued interest + other charges pertaining to the loan" without any netting) in numerator and the realizable value of the residential property mortgaged to the HFC in the denominator. However, it is informed that the company has computed LTV on sanctioned loan amount instead of outstanding amount. Also accrued interest and other charges were not taken into consideration for computation of LTV.

3. In view of the above, the company is advised to show cause in writing, within 15 days from the receipt of this letter, as to why penalty of ₹5,000/+ GST@ 18%-the above contraventions of Para 27(A) of the Housing Finance Companies (NHB) Directions, 2010 should not be levied on the company.

4. The submissions of the company, if any, should reach us within 15 days, failing which it shall be construed that the company has no comments to offer and the National Housing Bank will proceed further in the matter under the provisions of the National Housing Bank Act, 1987.

Yours faithfully,



(V. Vaideswaran)
General Manager
Department of Supervision