



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 21, 2024

RBI imposes monetary penalty on Family Home Finance Private Limited, Mumbai, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated October 17, 2024, imposed a monetary penalty of ₹50,000/- (Rupees Fifty Thousand only) on Family Home Finance Private Limited, Mumbai, Maharashtra (the company) for non-compliance with certain directions issued by [RBI on 'Know Your Customer \(KYC\)'](#). This penalty has been imposed in exercise of powers vested in RBI conferred under section 52A of the National Housing Bank Act, 1987.

The statutory inspection of the company was conducted by the National Housing Bank with reference to its financial position as on March 31, 2022 and March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions.

After considering the company's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found, *inter alia*, that the following charges against the company were sustained, warranting imposition of monetary penalty:

The company had not:

- i) conducted risk categorisation of its customers;
- ii) conducted review of risk categorisation of its customers; and
- iii) conducted periodic updation of KYC of its customers.

This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the company with its customers. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.