

**Sub: Summary of Order-in-Original No. 9/DIR/FIU-IND/2023 dated 31.05.2023 in the matter of Asit C Mehta Investment Intermediates Ltd. (Reporting Entity) – reg.**

As part of its supervisory functions under PMLA, FIU-IND takes up cases where apparent or potential non-compliances of relevant obligations have been observed with a view towards identifying weaknesses in the safeguards implemented by ‘reporting entities’ and conducting enforcement activity where non-compliances are found. In relation to the securities market such actions are important to ensure that all possible safeguards, as required by law, were effectively implemented by the Reporting Entities so as to ensure malicious actors do not take advantage of the capital flows therein. In this regard, FIU-IND works closely with various sectoral regulators including, as relevant to the present matter, the Securities and Exchange Board of India (“SEBI”).

Based on a reference from the SEBI highlighting alleged non-compliance with PMLA guidelines by **Asit C Mehta Investment Intermediates Ltd.**, FIU-IND had taken up the case for further analysis in order to examine whether there was any non-compliance by the Reporting Entity with respect to the obligations under Chapter IV of PMLA.

After examining the material on record and the submissions made, **Asit C Mehta Investment Intermediates Ltd.** was found to have breached the following relevant obligation:

- (i) Failure of the Reporting Entity to properly raise an alert and consider adverse orders of SEBI from the perspective of AML transactional monitoring and reporting obligations.

In view of the same and due to the deficiencies observed in the mechanism implemented by the Reporting Entity, it was found appropriate to issue monetary penalty of Rs 1 Lac under section 13(2)(d) to **Asit C Mehta Investment Intermediates Ltd.** along with detailed directions to the Reporting Entity under section 13(2)(a) and 13(2)(b). **Asit C Mehta Investment Intermediates Ltd.** was further required to return, within a period of 30 days, a certification under signature of its Designated Director and Principal Officer that the directed measures would be implemented within the periods prescribed.

**Disclaimer: The summary of the instant order is only representational in nature and does not hold any legal significance and cannot be relied upon or referred to as a precedence in any other case.**