**Sub.: Summary of Order-in-Original No. 4/DIR/FIU-IND/2021 dated 4th March, 2021 in the matter of HCL Corporation Private Limited -reg.**

In order to assess the compliance of HCL Corporation Private Limited (the NBFC) with regard to its obligations under the Prevention of Money Laundering Act, 2002 (the Act) and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (the Rules, 2005), the NBFC was issued a Show Cause Notice in view of the observations shared by RBI for having not put in place a system of risk categorization of accounts and periodical review thereof during FY 2018-19.

Vide Show Cause Notice dated 24th February, 2020, the NBFC was called upon to explain as to why suitable directions including direction of imposition of monetary penalty should not be passed against the NBFC under section 13 of the Act read with section 12 of the Act and Rule 5 and 9 of the Rules, 2005 for several non-compliances of the provisions of the Act and the Rules.

The NBFC submitted its reply to the SCN and in terms of the principles of natural justice, the NBFC was granted opportunity of personal hearing through its authorized representative by means of Video Conference.

After considering the submissions of the NBFC, vide Order-in-Original No. 4/DIR/FIU-IND/2021 dated 4th March, 2021, the Director, FIU-IND disposed of the adjudication proceedings initiated against the NBFC vide the Show Cause Notice dated 24th February, 2020, and in exercise of the powers conferred under section 13(2)(d) of the Act imposed monetary penalty of Rs. 1,00,000/- (Rs. One lakh only) for non-compliances of section 12 of the Act read with rule 9 of the Rules, 2005 by the NBFC, viz. failure to carry out risk assessment, to categorize its customers into 'high', 'medium' and 'low' category and to conduct periodic review thereof.

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