

Sub: Summary of order in Original No.12 DIR/FIU-IND/2024 dated 15th May, 2024 in the case of Earthstone Holding (Two) Pvt Ltd.-reg.

1. Earthstone Holding (Two) Pvt Ltd (Investment Credit Company), by virtue of operating as a Non-Banking Finance Company (NBFC) under Section 2(1)(q), of the Prevention of Money Laundering Act (PMLA), 2002 (hereinafter referred to as ‘the Act’) is a Reporting Entity (RE) in terms of 2(1) (wa) of the Act.
2. A notice was issued to the Reporting Entity pursuant to Section 13 of the Act, for its failure to adhere to the following statutory obligations under the PMLA:
 - (i) Failure of the RE to inform and register itself u/s 12 (1) (a) and 12(1) (b) of PMLA, 2002 r.w. Rule 3 & 8 of the PML (maintenance of Records) Rules, 2005
 - (ii) Failure of the RE to Intimate the appointment of Designated Director and principal officer under Rule 7(1) of the PML (Maintenance of Records) Rules, 2005
3. During the proceedings, the RE completed the process of registration with FIU-IND. In view of the same and considering the fact that the deficiencies had been addressed by the RE, Director, FIU-ND, dropped the charges/proceedings against the Reporting Entity. Furthermore, the Reporting Entity was advised to exercise caution in future on its obligations under the Prevention of money laundering Act (PMLA) of 2002, in conjunction with the PMLA Maintenance of Record Rules (PMLA Rules) of 2005 and ensure that the AML/CFT policy and procedures are implemented effectively.

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.