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F.No. 9-31/2010/FIU-IND  
Government of India  
Ministry of Finance  
Department of Revenue  
Financial Intelligence Unit-India

6<sup>th</sup> Floor, Hotel Samrat  
Kautilya Marg, Chanakyapuri  
New Delhi-110 021

ORDER IN ORIGINAL No.4 /DIR/FIU-IND/2014

**Name & Address of the Reporting Entity** M/s Star Union Dai-ichi Life Insurance  
Co.Ltd  
11<sup>th</sup> Floor, Vishwaroop IT Park,  
Sector 30A, Vashi  
Navi Mumbai - 400703

**Show Cause Notice No. & Date** F.No. 9-31/2010/FIU-IND  
Dated 21<sup>st</sup> Feb, 2014

**Section under which order passed** Section 13 of PMLA, 2002

**Date of Order** 2<sup>nd</sup> July, 2014

**Authority passing the order** Director, FIU-IND

An appeal against this order shall lie with the Appellate Tribunal under PMLA, 2002, 4<sup>th</sup> Floor, Lok Nayak Bhavan, Khan Market, New Delhi within a period of forty five days from the date on which this order is received by the reporting entity. The appeal should be in the form and manner prescribed under sub-section (3) of section 26 of the Prevention of Money Laundering Act, 2002.

1. Star Union Dai-ichi Life Insurance Co.Ltd (hereinafter referred to as 'company') is a Reporting entity as defined under Section 2 of the Prevention of Money Laundering Act, 2002 (hereinafter referred to as the 'Act').

2. Section 12 of the Act and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (hereinafter referred to as the 'Rules'), framed under the Act, impose obligations on reporting entities to maintain records and report to Director, Financial Intelligence Unit – India (hereinafter referred to as 'Director, FIU-IND') prescribed information relating to specific cash transactions, suspicious transactions, counterfeit currency transactions and non-profit organization transactions.

3. Rule 3 of the Rules specifies the transactions, the records of which are to be maintained; Rules 5, 7 & 8 of the Rules prescribe the procedure, manner and time of maintaining and furnishing such information; Rule 9 of the Rules prescribes the procedure and manner of verification of records of identity of clients.

4. Section 13 of the Act confers on the Director, FIU-IND powers to enquire into cases of failure of reporting entities to comply with the provisions of Section 12 of the Act and the Rules thereunder and to levy a fine in case of such failure to comply.

5. Based on the analysis of the information furnished by the company, the company was issued a show-cause notice (SCN) on 21st Feb, 2014, asking why penal action under section 13 of the Act should not be taken for the company's failure to comply with

(a) Section 12 of the Act read with Rule 3.1(B) and 8(1) of the Rules to file CTR in respect of the following integrally connected transactions:

Sl. No.	Application No.	Name Of Applicant	Amount	Month	Year
1	30202411	Chinta Devi*	99000	August	2009
2	30202401	Chinta Devi*	99000	August	2009
3	30202402	Chinta Devi*	99000	August	2009
4	30202403	Chinta Devi*	99000	August	2009
5	30357952	Chinta Devi*	99000	August	2009
6	30357951	Chinta Devi*	99000	August	2009
7	30357949	Chinta Devi*	99000	August	2009
8	30357948	Chinta Devi*	99000	August	2009
9	30357947	Chinta Devi*	99000	August	2009
10	30357946	Chinta Devi*	99000	August	2009
11	30357945	Chinta Devi*	99000	August	2009
12	30357944	Chinta Devi*	99000	August	2009
13	30357943	Chinta Devi*	99000	August	2009
		Total	1287000	August	2009

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1	30357934	Kalawati Devi Paswan*	90000	August	2009
2	30357918	Kalawati Devi Paswan*	50000	August	2009
3	30202414	Kalawati Devi Paswan*	90000	August	2009
4	30357926	Kalawati Devi Paswan*	50000	August	2009
5	30357940	Kalawati Devi Paswan*	90000	August	2009
6	30202420	Kalawati Devi Paswan*	90000	August	2009
7	30357935	Kalawati Devi Paswan*	90000	August	2009
8	30357937	Kalawati Devi Paswan*	90000	August	2009
9	30357939	Kalawati Devi Paswan*	90000	August	2009
10	30357936	Kalawati Devi Paswan*	90000	August	2009
11	30357933	Kalawati Devi Paswan*	50000	August	2009
12	30202417	Kalawati Devi Paswan*	90000	August	2009
13	30202419	Kalawati Devi Paswan*	90000	August	2009
14	30202420	Kalawati Devi Paswan*	90000	August	2009
15	30357923	Kalawati Devi Paswan*	90000	August	2009
16	30357922	Kalawati Devi Paswan*	90000	August	2009
17	30357919	Kalawati Devi Paswan*	90000	August	2009
18	30357921	Kalawati Devi Paswan*	90000	August	2009
		Total	1500000	August	2009

(b) and; failure to establish mechanism to detect, capture and report such transactions.

6. The company accepted cash deposits from two of its customer viz. Chinta Devi and Kalawati Devi Paswan on 13 and 18 occasions respectively which aggregated to more than Rs.10.00 lakh.

7. In its reply to the SCN dated 3rd April, 2014, the company admitted that it had failed to report the CTR for 31 transactions as the company was in the initial stages of setting up operation and was facing teething issues. The Company reiterated this

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position during the personal hearing on 7<sup>th</sup> May, 2014 which was attended by Ms. Rubina Kesury (Head-Legal and Compliance) and Ms Charmi Modi (AM-Legal and Compliance).

FINDINGS AND DISCUSSIONS:

8. Star Union Dai-ichi Life Insurance Co Ltd has admitted that it did not fulfill its obligations as per Section 12 of PMLA read with PML Rules. It failed to establish internal mechanism to maintain such record as prescribed in Rule 5(2) of PML Rules and report 31 integrally connected transactions as detailed in paragraph 5 above. However, Star Union Dai-ichi Life Insurance Co Ltd filed Suspicious Transaction Reports in respect of these transactions in June 2010

9. Considering the fact that Star Union Dai-ichi Life Insurance Co Ltd was in the early years of establishment, I take a lenient view and impose a fine of Rs.1,00,000 for failing to have an internal mechanism in place for not reporting 31 integrally connected transactions in the month of August 2009.

(Praveen Kumar Tiwari)  
Director  
Financial Intelligence Unit – India

To

M/s Star Union Dai-ichi Life Insurance Co Ltd  
11<sup>th</sup> Floor, Vishwaroop IT Park,  
Sector 30A, Vashi  
Navi Mumbai - 400703

Through:

The Chief Executive Officer