



Press Release

20.6.2025

Directorate of Enforcement (ED), Mumbai Zonal office is conducting a money-laundering investigation in which it has been alleged that shares of M/s Care Health Insurance Ltd (CHIL) were issued at a much lower price in the form of ESOPs on 1st May, 2022, in spite of the rejection of the same by Insurance Regulatory and Development Authority of India (IRDAI). As part of investigation, a summons was issued to Shri Pratap Venugopal, an Independent Director of CHIL to understand the circumstances under which the company has issued the ESOPs despite its rejection by IRDAI and subsequent discussions in the Board of CHIL in this regard. It is also pertinent to note that IRDAI on 23.07.2024 has directed the CHIL to revoke or cancel any ESOPs that have yet to be allotted and has also imposed a penalty of Rs. 1 Crore on CHIL for non-compliance with regulatory directions.

In view of the fact that Shri Pratap Venugopal is a Senior Advocate in the Hon'ble Supreme Court, the summons issued to him has been withdrawn and same has been communicated to him. In the said communication, it has also been stated that if any documents will be required from him in his capacity as an Independent Director of CHIL, the same will be requested from him to be submitted by email.

Further, the ED has also issued a Circular for the guidance of the field formations that no summons shall be issued to any Advocate in violation of Section 132 of the Bhartiya Sakshya Adhiniyam, 2023. Further if any summons needs to be issued under the exceptions carved out in proviso to section 132 of the BSA, 2023, the same shall be issued only with the prior approval of the Director, ED.