

December 24, 2019

SBIL/F&A-CS/INT/1920/433

General Manager,  
Listing Department,  
BSE Limited,  
Phiroze Jeebhoy Towers,  
Dalal Street, Mumbai - 400001

Vice President,  
Listing Department,  
National Stock Exchange of India Limited,  
Exchange Plaza,  
Bandra East, Mumbai – 400051

**Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Madam,

The Insurance Regulatory & Development Authority of India on December 24, 2019 has issued an order in the matter of transfer of 50,740,000 equity shares of SBI Life Insurance Company Ltd by BNP Paribas Cardif S.A. vide order no. IRDAI/F&A/ORD/TRSH/235/12/2019 dated December 23, 2019.

You are requested to kindly take same on records.

Thanking you,



Vinod Koyande  
Company Secretary  
ACS No. 33696



Order No: IRDAI/F&A /ORD/ TRSH/23<sup>5</sup>/12/2019

**ORDER in the matter of**  
**Transfer of 5,07,40,000 equity shares of**  
**SBI Life Insurance Company Limited by BNP Paribas Cardif S.A.**

**Based on**

- (i) The Show Cause Notice (SCN) dated 12<sup>th</sup> June, 2019 issued to M/s. BNP Paribas Cardif S.A. (hereinafter referred to as "Cardif"), the foreign promoter of SBI Life Insurance Company Ltd. (hereinafter referred to as "SBI Life"), by the Authority.
- (ii) Reply given by Cardif dated 31<sup>st</sup> July, 2019 to the aforesaid Show Cause Notice (SCN).
- (iii) The submissions made by Cardif during the Personal Hearing held on 15<sup>th</sup> October, 2019 at 3.30 PM, chaired by Dr. Subhash C. Khuntia, Chairman, IRDAI, at the office of Insurance Regulatory and Development Authority of India, Financial District, Nanakramguda, Hyderabad. Cardif was represented by Mr. Frederic Devilliers, Head of Legal Affairs and Mr. Jonathan Bezulowsky, Head of Corporate Legal Affairs.
- (iv) Further submissions by Cardif post personal hearing vide letter dated 30<sup>th</sup> October, 2019.

2. SBI Life vide its letter dated 30<sup>th</sup> March, 2019 informed IRDAI about the disclosure from Cardif pursuant to Regulation 7(2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 regarding the sale of 5,07,40,000 equity shares held by Cardif constituting 5.069% of SBI Life's total shareholding, by way of on-market transaction on 29<sup>th</sup> March, 2019.

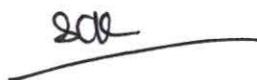
3. The documents filed by SBI Life were examined and it was observed that Cardif carried out the above said sale of shares to multiple parties without seeking prior approval of IRDAI as required under section 6A(4)(b)(iii) of the Insurance Act, 1938 (hereinafter referred to as "Act") read with Reg.3(b) of IRDAI (Transfer of Equity Shares of Insurance Companies) Regulations, 2015 (hereinafter referred to as

“Transfer Regulations”) and IRDAI (Listed Insurance Companies) Guidelines, 2016 (hereinafter referred to as “Listed Insurance Companies Guidelines”).

4. IRDAI sought clarification from SBI Life and Cardif for not seeking prior approval for the said transaction. On examination of the submissions of SBI Life and Cardif, it was noticed that Cardif had sold 5,07,40,000 equity shares constituting 5.069% of SBI Life's total shareholding without obtaining prior approval of the Authority as required under section 6A(4)(b)(iii) of the Act read with Reg.3(b) of Transfer Regulations and Listed Insurance Companies Guidelines. Hence, Cardif was show caused vide letter no.108.1/2/F&A-Life/SBILIC-Restr/2018-19/61 dated 12<sup>th</sup> June, 2019 as to why appropriate action should not be initiated in terms of the relevant provisions of the Insurance Act, 1938; the IRDA Act, 1999 read with the Regulations and/or Guidelines/Circulars framed thereunder. Cardif responded vide letter dated 25<sup>th</sup> July, 2019 and also requested for a personal hearing, which was granted on 15<sup>th</sup> October, 2019 at the office of the Authority at Hyderabad.

5. During the personal hearing, it was brought to the notice of the representatives of Cardif that SBI Life vide its e-mail dated 28<sup>th</sup> March, 2019, had advised Cardif to obtain approval of IRDAI prior to the transaction date i.e. 29<sup>th</sup> March, 2019 for the proposed transaction. SBI Life further requested Cardif to provide a copy of the approval received from IRDAI in this regard. In spite of the advice from SBI Life, Cardif carried out the transaction without seeking prior approval of IRDAI in violation of the provisions of section 6A(4)(b)(iii) of the Act read with Reg.3(b) of Transfer Regulations and Listed Insurance Companies Guidelines.

6. During the personal hearing, Cardif confirmed that prior approval was not sought as their legal counsel advised them that prior approval was required by the acquirer and not the transferor. The representatives of Cardif further submitted that on the advice of their counsel, they genuinely believed that prior approval of IRDAI was not required and hence, prior approval was not sought. When the provisions of the Act and Regulations were pointed out to them, they requested IRDAI to condone the unintentional mistake and submitted that in future the same would not be repeated and that the provisions of law would be brought to the notice of the management of Cardif for compliance. Cardif further requested for grant of post-facto approval of IRDAI for the above said sale of shares.



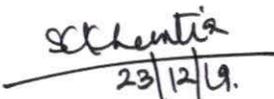


7. **Decision:**

The Authority notes that the transaction executed by Cardiff for transfer of 5,07,40,000 equity shares constituting 5.069% of the shareholding of SBI Life Insurance Company Ltd., carried out through the stock exchange on 29<sup>th</sup> March, 2019 is violation of section 6A(4)(b)(iii) of the Act read with Reg.3(b) of Transfer Regulations and Listed Insurance Companies Guidelines. In view of the submissions made by Cardif during the personal hearing and their request for taking a lenient view, the Authority hereby grants post-facto approval to the said transaction of transfer. Since, compliance with the law was solely their responsibility, Cardif is hereby advised to exercise due caution to ensure adherence to all legal and regulatory stipulations as applicable, in future.

8. If Cardif feels aggrieved by this Order, an appeal may be preferred to the Hon'ble Securities Appellate Tribunal in terms of the provisions of section 110 of the Insurance Act, 1938.

Place : Hyderabad  
Date : 23<sup>rd</sup> December, 2019

  
23/12/19.  
(Dr. Subhash C. Khuntia)  
Chairman

