

Financial deals with Ranbaxy brothers, admits Beas sect head

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[Prabha Raghavan](#)

Former Ranbaxy promoters Malvinder Singh and Shivinder Singh.

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THE HEAD of [Radha Soami Satsang Beas](#), Gurinder Singh Dhillon, has, for the first time, admitted to financial transactions between himself and ex-Religare Enterprises (REL) promoters [Malvinder and Shivinder Singh](#).

In an affidavit filed with the Delhi High Court dated November 12 and reviewed by [The Indian Express](#), Dhillon admitted that the Singh brothers had in 2010, through RHC Holding (a company controlled by the brothers), approached him and his family to subscribe to a rights issue of REL that was not fully subscribed "at that moment". A part of the rights issue was funded by RHC and the Singh brothers, who Radha Soami sect head admits to financial deals with Ranbaxy brothers spent a total of Rs 440 crore on the transaction.

"It was suggested by them (Malvinder and Shivinder Singh) that they would finance the deponent (Dhillon) and his family to subscribe to the rights issue. It was agreed that the deponent and his family members would not be made liable to repay any amount or interest in respect of the said finance management since it was being done at the behest of RHC, Malvinder Mohan Singh and Shivinder Mohan Singh," Dhillon has said in his affidavit.

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"It was also agreed upon that the shares being sold and/ or disposed of, if the price realised was higher than the subscribed prices, the upside would be shared 50:50 between RHC and the members of the deponent's family (Dhillons) who had subscribed to the shares," he added.

He goes on to admit that his sons, Gurpreet Singh Dhillon and

Gurkirat Singh Dhillon, were given possession of over 61 lakh shares each through the subscription.

“On the basis of this verbal agreement, on 11.02.2010, Respondent No. 19 (RHC) transferred Rs 219.5 crore each to GP (Gurpreet) and GK (Gurkirat), which was then used to subscribe to the rights issue, resulting in an allotment of 61,83,013 shares of REL to each of GP and GK. The entire transaction was handled by Respondent No. 19’s team,” said Dhillon.

Dhillon has claimed that as the two families were then in a [“very close relationship”](#), they did not record any written agreement. He has absolved his family members from any involvement in the financial transactions carried out by him. He, however, distanced himself from allegations of fund diversion by claiming that the brothers, as well as RHC had “deliberately” avoided giving a clear picture of all transactions between them as it would show “that nothing whatsoever is owed by the deponent (Dhillon) and his family members” to RHC or any of its subsidiaries.

Best Of Express

The transactions alleged by Dhillon are in violation of Securities and Exchange Bureau of India (SEBI) norms on promoters’ role in rights issues of companies.

The religious sect head also states in his affidavit that in 2006, he had, on behalf of his sons, purchased REL shares worth Rs 12.50 crore. Of this, Rs 6 crore was loaned to Gurpreet and Gurkirat by RHC. A further sum of Rs 35 crore was taken out by his sons as loans for personal purposes, but was subsequently returned in 2011, Dhillon claimed in his affidavit.

Queries sent to RHC and Dhillon remained unanswered by press time Wednesday.

Earlier, Malvinder Singh had, in an affidavit to the High Court and Supreme Court, alleged that Dhillon and persons associated with him had diverted close to Rs 6,000 crore from RHC. The monies were loans and advances given by RHC and the Singh brothers to companies such as Prius Real Estate, as well as to Sunil Godhwani, and Dhillon, Malvinder Singh had claimed in his affidavit.

More Explained

In October, based on the submissions made by Malvinder Singh, the Delhi High Court had asked all the 55 garnishees to deposit the money they owed to the Singh brothers and RHC, within 30 days. The court had also asked Dhillon and his family members to be personally present in the court on November 14. Garnishees are companies that owe money to

RHC, which is currently locked in litigation with Japanese drug-maker Daiichi Sankyo.

Daiichi has alleged the Singh brothers concealed information regarding wrongdoing at Ranbaxy when selling the firm to it in 2008 and is seeking over Rs 3,600 crore in damages from them.