

# Fortis fraud may exceed ₹2,000 crore, says SFIO



Malvinder and Shivinder Singh, founders of Fortis Healthcare. (HT)

**New Delhi/Mumbai:** The alleged funds diversion at Fortis Healthcare Ltd could add up to more than ₹2,000 crore, according to the trail of funds uncovered by the Serious Fraud Investigation Office (SFIO), a government official said.

The Securities and Exchange Board of India (Sebi), too, suspects that the total size of the Fortis fraud could be much higher than the ₹403 crore it originally estimated, a second person familiar with the development said, requesting anonymity.

Sebi has already passed an order against [Fortis](#) to recover ₹500 crore from the Singh brothers for funds diverted to the promoter and promoter-related

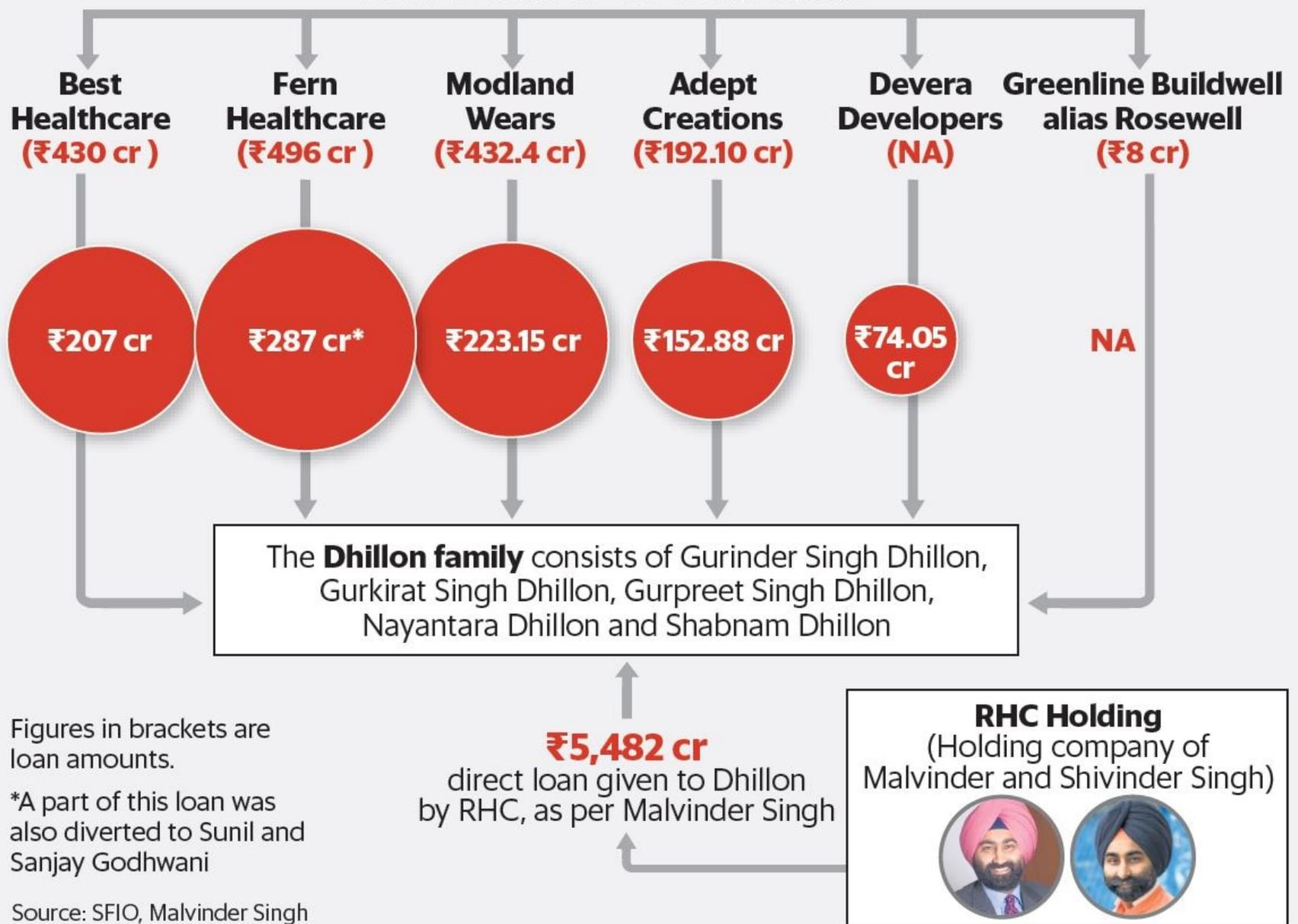
entities in December.

“At the heart of the alleged fund diversion is [Gurinder Singh Dhillon](#), head of Radha Soami Satsang Beas, and Sanjay Godhwani, a former associate of Malvinder and Shivinder Singh. Six promoter-related companies were used to effect the funds diversion,” the first person cited above said on condition of anonymity.

Some of these facts also emerged from the complaint filed by Malvinder Singh with the Economic Offences Wing in Delhi and findings by SFIO. These depict a dark picture of a series of transactions between RHC Holding Pvt. Ltd, the holding company promoted by brothers Malvinder and Shivinder Singh, wherein RHC extended loans worth ₹5,482 crore to Dhillon family members, their associates or entities controlled by them.

# Follow the money

## FORTIS GROUP OF COMPANIES



This is independent of the ₹1,006.3 crore allegedly provided by Fortis and Religare Enterprises Ltd, another company controlled by the Singh brothers, to the six promoter-related entities. The funds belonged to shareholders of Fortis and Religare, among others. The six companies are Best Healthcare Pvt. Ltd, Devera Developers Pvt. Ltd, Fern Healthcare Pvt. Ltd, Modland Wears Pvt. Ltd, Adept Creations Pvt. Ltd and Green Line Buildwell Pvt. Ltd.

This came to notice during an assessment, as [Malvinder Singh](#) claimed in his complaint, conducted after an audit found these companies under heavy debt. Malvinder Singh claimed his brother Shivinder connived with Dhillon to sell these firms to RHC, thus putting more strain on the holding company.

Malvinder Singh added that the companies were acquired without any legal

due diligence, execution of agreements and any check on their businesses.

The twist in the tale came when Dhillon sought to discharge himself from the said liabilities, asking the Singh brothers to sign a family settlement that would encompass no legal proceedings or criminality in any circumstance against him.

According to the proposed settlement, Shivinder Singh was offered a position to head the Radha Soami Satsang Beas sect—one that Dhillon would abdicate. In return, the Singh brothers were to write off these loans as bad debt.

While Shivinder agreed to the deal, Malvinder did not, the latter said in the complaint.

In his complaint filed with the Economic Offences Wing against his brother, the Dhillon family and Sunil and Sanjay Godhwani, Malvinder Singh alleged misappropriation of company funds and sought ₹8,742 crore in compensation.

According to the second person cited above, funds from Fortis or Religare group companies were extended to any of these six companies and a portion of these loans were advanced to Dhillon family members and Godhwani brothers.

According to the financial statements of these companies reviewed by Mint, ₹430 crore was received by Best Healthcare from Fortis and Religare group while ₹207.15 crore was advanced to Dhillon's sons Gurpreet and Gurkirat Singh Dhillon.

An additional ₹287 crore loan was extended to the Godhwani and Dhillon families out of the ₹496 crore received from Fortis and Religare by Fern Healthcare.

A sum of ₹223.15 crore was also advanced to the Dhillon family by Modland Wears, ₹152 crore by Adept Creations and ₹8 crore by Rosestar Marketing

Pvt. Ltd (cross holding with Green Line).

“It is clear that Dhillon, in the garb of providing spiritual guidance, had gained complete trust and...amassed wealth from the financial facilities extended to the Dhillon family. The true extent of the fraud has not come to light as the entities are tightly controlled by the accused and requires a thorough investigation,” Malvinder Singh alleged in the complaint.

In a statement, Fortis Healthcare said: “Issues related to the erstwhile promoters and the fund diversion have already been disclosed in the statutory filings by the company and are subject matter of investigations being conducted by regulatory authorities (Subject Investigation).”

Fortis is referring to its earlier disclosure that ₹473 crore was diverted by its subsidiary Fortis Hospitals Ltd to third parties. “We strongly deny and refute the contents that have been referred in the email in as much as it suggests that funds in addition to Subject Investigation have been diverted from Fortis,” Fortis said, adding that it continues to cooperate with and follow the directions of all relevant regulatory authorities.

Dhillon, Shivinder Singh and Sunil Godhwani did not respond to emails sent on Monday seeking comment.

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