

Fortis Healthcare asks Sebi to order arrest of former promoters

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Former Fortis promoters Malvinder Singh (left) and Shivender Singh.ht

Fortis Healthcare Ltd has asked the markets regulator to order the arrest of its former promoters, [chairman Ravi Rajagopal said](#), after they failed to return diverted money as directed by the regulator.

On 17 October, [Securities and Exchange Board of India](#) (Sebi) directed Fortis's former promoters Singh brothers and various promoter companies to return within 90 days ₹472 crore that had gone out of Fortis as secured inter-corporate loans.

“Since they have failed to refund the due amounts in compliance of Sebi order, an application under Section 28 A of Sebi Act has been filed, praying for recovery and directions against the entities,” Rajagopal said in an

interview on Friday.

Apart from brothers Malvinder Singh and Shivinder Singh, the Sebi order named RHC holdings, Shivi Holdings Pvt. Ltd, Malav Holdings Pvt Ltd, Religare Finvest Ltd, Best Healthcare Pvt. Ltd, Fern healthcare Pvt. Ltd and Modland Wears Pvt. Ltd.

In response to a query, Shivinder Singh said he was not in a position of decision-making and authority when these loans and advances were made as he had retired officially from all executive roles in Fortis in September 2015.

“I have cooperated in all my interactions with Sebi and made my position clear. These decisions on ICDs were taken after my retirement and I have no role to play in its planning or execution. Even Fortis is well aware of the facts and my position on this matter. I reiterate, I will never do harm to the institution that I’ve built from the first brick. Anyone who has ever worked with me in Fortis would support this position. People with vested interests are diverting the attention, misleading the regulators to deflect the heat from themselves as they have done in the past.

“I’m confident the truth will prevail and the regulators will carefully examine the role of all decision makers individually and do justice,” he said.

Emails sent to Malvinder Singh remained unanswered till press time.

In its 13 February petition, [Fortis](#) asked the regulator to invoke Section 28 A, under which a person can be arrested and held in prison. Under the same section, properties can be attached from defaulted entities, including bank accounts of their heirs, successors, legal representatives to the extent of the full loan accounts and interest thereupon.

Rajagopal said Sebi’s investigations had found that the monies went to entities related to the former promoters. “Sebi has meanwhile been doing its own investigations and they came out with their orders in October last year

where they went beyond our investigation because they have the right to call for information, they have forensic capability and they trail the ultimate destination of those monies and clearly established that it was the former promoter related entities that were responsible for the monies and therefore, those monies were owed back by the former promoters and their related entities," he added.

After preliminary investigations, Sebi passed had an order on 17 October, observing Fortis gave secured inter-corporate loans to the entities mentioned earlier.