

# Fortis plans moving court to recover ₹403 cr from Singh brothers and promoters



In January, a Delhi court asked Fortis Healthcare's Malvinder Singh and his brother, Shivinder, to pay ₹3,500 crore arbitration award to Daiichi Sankyo Co. Photo: Hindustan Times

[Fortis healthcare](#) Ltd is likely to approach the Delhi High court seeking to recover ₹403 crore, which was allegedly siphoned off from Fortis by its former promoters, two people aware of the matter said.

The move follows an order dated 17 October by the Securities and Exchange Board of India ([Sebi](#)) that directed Fortis to take necessary action to recover ₹403 crore along with due interest from the former promoters, [Malvinder and Shivinder Singh](#), and various promoter companies within 90 days. With the deadline being missed, Fortis is likely to approach the court in an ongoing case by Japanese drugmaker Daiichi Sankyo Inc.

[Daiichi had moved the high court here seeking direction to the brothers to take steps towards paying its ₹3,500 crore arbitration award](#), including

depositing the amount. It had also urged the court to attach their assets, which may be used to recover the award.

In its plea, Fortis is likely to urge the court that if any direction related to payment of the award is taken, Fortis funds and the Sebi order should be kept in mind. The case is likely to be taken up on May 10.

Apart from the 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.

Fortis Healthcare Ltd had earlier also asked the market regulator to order the arrest of its former promoters, since they have failed to return diverted money as directed by the regulator.

"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," Ravi Rajagopal, Fortis chairman, had told Mint in an interview in February.

In its 13 February petition, Fortis asked the regulator to invoke the law under which a person can be arrested and held in prison. Under the same provision, 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 had said that 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 tracked 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 an order on 17 October, observing Fortis issued secured inter-corporate loans to the entities mentioned earlier.

An investigation into the accounts of by law firm Luthra and Luthra had concluded "systematic lapses" and "override of controls" in certain inter-corporate deposits (ICDs) that were used by the borrowers to grant or repay loans to entities whose directors were connected to the Singh brothers.