

Radha Soami chief admits to financial dealings with Singh brothers

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Chief of [Radha Soami Satsang Beas](#) (RSSB) [Gurinder Singh Dhillon](#) has admitted of his financial dealings with the [Singh brothers](#) though he denied of "any liability" towards RHC holdings Ltd, promoted by Malvinder and Shivinder Singh. In an affidavit filed before the [Delhi High court](#) on November 12, Dhillon has disclosed about the financial transactions between RHC holdings Ltd and his family members dating back to 2006.

The court had in October ordered Dhillon along with his wife Shabnam, sons Gurkirat and Gurpreet and daughter in law Nayan Tara to deposit the amount owed to RHC holdings pvt

Ltd in connection with the execution of Rs 3500 crore arbitration award won by Japanese firm [Daiichi Sankyo](#) against former Ranbaxy promoters. While in his plea Dhillon had told the court that RHC Holding has made false claims. The court in its order had then asked the Dhillons to file relevant documents related to their dealings and transactions with the garnishees and their related companies.

The Dhillons are among 55 individuals and entities ordered by the court to pay over Rs 6000 crore owed to RHC holding in connection with the settlement of a dispute to Daiichi Sankyo's acquisition of [Ranbaxy laboratories](#) **NSE 5.63 %**.

According to a 74 page affidavit filed in the High Court, Dhillon has said that in 2010, RHC holdings Ltd (respondent 19) through Singh brothers had approached him to assist them in subscribing for the rights issue, suggesting that they would finance Dhillons to subscribe to the rights issue. Dhillon has said that it was agreed that he and his family members would not be made liable to repay any amount or interest. "It was also agreed that upon the shares being sold or disposed of if the price realised was below the subscribed price, then the entire amount would be shared 50:50" between RHC and Dhillons family who had subscribed to the shares".

He has claimed that in view of the "complete trust" and "close family relationship" between the families, they did not record

any agreement and the arrangement was based "purely on mutual oral understanding and agreement". "In fact at that time the local bank accounts from which the transactions were taking place were looked after by respondent No 19's team," it said.

On the basis of "verbal agreement" in February 2010, RHC transferred Rs 219 crore each to his sons, which was then used to subscribe to the rights issue, resulting in an allotment of 61,83,013 shares of REL to each of his sons.

According to the affidavit, Dhillon has disclosed that his sons sold off some shares in 2011 which they had purchased in 2006. The rest of the shares, according to Dhillon's affidavit were "pledged to the lenders in connection with loans taken to facilitate share purchase transaction for the benefit of Malvinder and Shivinder. The pledges were invoked and the shares were sold at a substantial loss," it said. Resultantly, the family doesn't own REL shares, he claims. Dhillon has said that RHC had surplus funds of his sons of Rs 103.50 crores and it was agreed that the amount would be repaid to the Dhillons as and when required.

He has also disclosed that RHC devised such a mechanism that transactions essentially involved transferring money from one subsidiary to a bank account of Dhillons and then transferring the same money either on the same day or shortly

thereafter to another subsidiary of the group or usually to RHC holdings Ltd.

“The transactions carried out by Respondent 19 (RHC holdings) resulted in Gurpreet and Gurkirat receiving funds from various companies controlled by Respondent 19 which were immediately transferred to Respondent 19 or to other companies controlled by Respondent 19,” It said.

In fact, he has claimed that over the course of 2011-2015, out of the surplus of Rs 103.5 crores with RHC he and his family drew only Rs29.38 crores, leaving the balance surplus of Rs 74.12 crores. “Thus an amount of Rs 74.12 crores continues to be due from RHC holdngs Ltd”.

According to his affidavit, “no amounts are payable by his, his wife and his daughter in law to any of the entities named in the RHC affidavit.

Dhillon has categorically denied liability to repay the said amounts and also denied the validity or correctness of the ledgers annexed in the RHC affidavit. “The said ledgers were never shared with the deponent or his family members and the same are denied for lack of knowledge or even otherwise,” it added.

The court that took up the matter today asked the other

garnishees to file their affidavit to the court registrar by 18 December. The next date of hearing is February 5.