

Ranbaxy ex-promoter Shivinder Singh, Sunil Godhwani arrested in fraud case by Delhi Police

The estranged brothers reportedly owe around Rs 3,500 crore to Daiichi Sankyo.

Shivinder Mohan Singh, the erstwhile promoter of Religare Enterprises Limited (REL) was on Thursday arrested by the Economic Offences Wing (EoW) of the [Delhi police](#), along with Sunil Godhwani, former chief of REL, among others following a complaint of misappropriation of funds of Religare Finvest Ltd, the lending arm of REL.

Malvinder Mohan Singh, the elder brother was not in Delhi and could not be arrested. It is learnt that a lookout notice has been issued against him. Both Malvinder and Shivinder were raided by the Enforcement Directorate in August this year. The brothers have been accused by Religare Finvest of fraud and misappropriation of funds to the tune of Rs. 740 crore.

In December, a criminal complaint was filed by RFL with EoW against the Singh brothers, following which a case was filed

against the brothers in May this year.

Thursday's developments cap a dizzying fall from grace for the two brothers. The scions of one of Delhi's most prominent business families had sold India's then largest drug maker [RanbaxyNSE 5.63 %](#) Laboratories for Rs 10,000 crore in 2008 and announced big plans of creating an healthcare and financial services empire. But they have been dogged by charges of fraud, fund siphoning, bad investment decisions, court cases, and mounting personal debt over the last few years. Their failure to repay their lenders resulted in them losing control of [Fortis HealthcareNSE 0.43 %](#) and Religare Enterprises.



Earlier in 2018 government agencies opened a probe against the brothers following an internal investigation by law firm Luthra and Luthra found mismanagement of funds in Fortis healthcare. The report by law firm Luthra and Luthra observed siphoning of funds from Fortis by the former promoters. It was found that during the first quarter of financial year 2016-17, a roll-over mechanism was devised, whereby Inter Corporate Deposits (ICDs) were repaid by cheque by the borrower companies at the end of each quarter and fresh ICDs were released at the start of succeeding quarter under separately executed ICD agreements.

Fortis has also initiated a legal action to recover these outstanding ICDs and other advances from both the brothers.