

Singh bros' settlement sought to absolve Dera Chief of liabilities

Singh brothers undertook that they will "indemnify" the Dhillon family in the event of a liability.

[Raghav Ohri](#)

New Delhi: The Singh brothers of Ranbaxy had locked horns over a 'family settlement' that sought to absolve their 'Master' - Gurinder Singh [Dhillon](#), head of Radha Soami Satsang Beas (RSSB), and his family members of all of all the amount they allegedly owed to RHC. Malvinder has placed before the National Company Law Tribunal (NCLT) emails to establish that while he had protested against the settlement, Shivinder had not only agreed to relieve the Dhillons of all their liabilities, but also pressurised Malvinder to sign the deal.

A 'memorandum of family settlement' drawn on May 25 last year read that it was "not based on actual valuation of the assets and loans but had been arrived to preserve and maintain mutual respect, goodwill and harmony, and to avoid any future disputes between the parties".

It read that Shivinder and Malvinder had assured the Dhillon family that they have “irrevocably and unconditionally released and forever discharged them from all past, present or future claims, obligations and liabilities in connection with payment of 10 loans”. It added that the Singh brothers undertook that they will “indemnify” the Dhillon family in “event of any liability raised by any government authority”.

Malvinder claimed that the objective of the settlement was to relieve the Dhillons from the RHC dues. He submitted Shivinder’s emails dated June 2, 2018 and June 19, 2018 to prove that Shivinder had promptly agreed to the settlement to appease Dhillon so that he could succeed him as the [Dera chief](#). Malvinder has produced an email dated July 12, 2018 written to Dhillon to show that he had objected to the settlement, and sought details of assets of Dhillon and his family to repay the creditors. In his email, he had sought Dhillon’s intervention to “come out of the critical life-threatening issues” being faced by them.

Referring to several criminal actions and liabilities of over Rs 10,000 crore towards RHC, Malvinder wrote, “Given the current situation where we have lost almost all our businesses/assets and are at risk of losing everything that we own due to various personal guarantees, etc, we are not in a position to repay all our existing liabilities. Today our survival is

completely dependent upon support from you, and if there is any chance of our being able to come out of this mess, it will be only with your blessings and support." Malvinder had stressed on the need for the details of assets to satisfactorily "resolve the outstanding financial matters between us (which is very important and critical from regulatory as well as legal perspectives)". "In order to satisfy the regulatory scheinvestigations and our lenders and creditors, we need full details of utilisation of funds borrowed from private companies and assets acquired therefrom," he wrote.

"This will be needed to satisfy the authorities and creditors that no funds have been siphoned off and all such funds have been legitimately deployed at your end. We will need details of all assets held by you, family members, entities under your control or influence to kill any allegations of siphoning off. We utilise the following assets which can be made immediately available to resolve some of the issues, including surplus from the sale of LRD assets, Westend and Chandigarh properties, Parklane property, Singapore property, Chhatarpur farmhouses, add-on recoverable, SRL shares held by Logos, and any other asset that could be made available in India or abroad," the email read. Malvinder added that the mode of the "utilisation and priority thereof be agreed jointly by all of us keeping in view the spirit of working jointly and resolving the most critical issues on priority". He sought to settle and close all inter-group outstanding loans by acquiring the assets as

part of a settlement document.

“The said document needs to capture that apart from above assets, there are no other assets held by you and your family directly and indirectly, and in case any other assets which may have been acquired from the funds borrowed from private companies are made available, the same shall be acquired by private companies in settlement of the dues. All of these are necessary in order to close the existing loans in the books from accounting and regulatory perspectives,” Malvinder wrote.

Earlier this month, the RSSB chief had told the Delhi HC that he and his family owe RHC Holdings no money at all. In in the July 12 email, Malvinder sought repayment of LVB Bank dues worth Rs 750 crore to avoid criminal cases, Fortis ICDs (Rs 450 crore), dues to Indiabulls to avoid cheque bouncing cases — worth around Rs 200 crore (negotiated down from Rs 400 crore), repayments to Zee and SSG to keep LRD assets and group reputation intact (Rs 300 crore), dignity and add-on dues to Fortis of around Rs 50 crore. Put together, it came to Rs 1,750 crore.