

We are in a way caught in crossfire in Daiichi case: Fortis' Ravi Rajagopal

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Ravi Rajagopal, Fortis Healthcare chairman

Fortis Healthcare Ltd chairman Ravi Rajagopal, who joined the company's board last year amid investigations into corporate governance issues, has set new standards to get the company out of the woods. In an exclusive interview with *Mint*, Rajagopal said Fortis has taken legal steps to recover the siphoned-off funds, and kept the regulatory authorities in the loop, besides protecting shareholders. Edited excerpts:

You joined the board last year. Do you think you have achieved what you aimed for?

I have been on the board from the end of last April and I took over as the chairman in end of May. I came in at the behest of some of the international

investors, who had urged me and two others to come in because their concern was inadequate governance. There was a sort of request to bring in good governance. At the outset, the three of us have been very keen and very focused on making sure that whatever issues we had to deal with, we made sure they were dealt with in a very open and transparent way, such that it would set new standards of good governance.

The Luthra and Luthra investigations revealed that money was siphoned off by the former promoters. What efforts have been made so far to recover the money diverted from Fortis?

Once it was established that ₹472 crore had moved into related companies and were lying as irrecoverable, we took all steps. I personally met with the heads of Sebi and SFIO and discussed the report, and handed them the copies. A lot of steps have been taken to recover the money.

What is the status on the SFIO investigations?

The [SFIO](#) asked Fortis for a lot of information over the last four months, it has also called our officials for questioning.

Does Fortis have any links with the former promoters? What actions have been taken by Fortis to maintain a distance with them?

It's a categorical no. We have applied to [Sebi to de-promoterize the two brothers](#). We have applied for IHH to be formally recognized as the promoter, as they are the largest shareholder. We are awaiting Sebi's approval. Their shareholding in the company direct-indirect is perhaps less than 0.2%. We have made sure there are no commercial dealings with any entities linked to the former promoters. Even symbolically (we have distanced ourselves), and removed their photographs from our various hospitals.

With former promoter Malvinder Singh alleging that monies were

sucked out as per directions of the Dhillons of Radha Soami Satsang Beas, do you think Fortis should go after RSB as well for recoveries?

We have to follow the Sebi order, and it clearly specifies 8-9 parties. They have ordered these parties to pay back the monies within 90 days of the order, which expired on 18 January. If they failed to pay, Sebi had instructed us to go after them. So, we cannot go after other parties, even if newspaper reports make certain allegations.

With the [Supreme Court](#) halting the Fortis sale, do you think there's still some uncertainty?

All the issues surrounding the former promoters and us is only one part. Then there is the Daiichi case, which is of a far bigger magnitude. I really don't know where all this will end. We have to continue our efforts through the legal process. However, having said that, the Daiichi case, where we have been roped in as a party, is causing a lot of anxiety to our clinical population—we have a team of over 3,000 doctors, and 3,000-4,000 nurses and paramedics. These people are coming to the hospital everyday and saving lives. When they read the headlines what is happening, they get concerned as to what is going to happen. It is impeding hospital operations and it is impeding our ability to do our business. The banks are being cautious and they are holding back their credit lines to us, because they want to see what happens. In a way, it is unfair to Fortis because what has been achieved in the last eight months was beyond people's expectations back then. Now, we have got a very important strategic investor with global credentials, we have got urgent capital, we have restored morale to some extent, we have restored confidence of the investors to some extent. There is a tender offer that has been put on hold, but the point is this has been as a result of the recent moves. And, it is hurting us for no fault of ours.

We are in a way caught in the crossfire and somewhat an unfortunate...hapless victim.

In the plea before the court, Daiichi Sankyo has pleaded that ₹4,000 crore, which has been infused by IHH and used to buy back assets of RHT, has gone to the Singh brothers indirectly. Is there any link between the two?

We got an official confirmation from the RHT board that to the best of their knowledge, there were no direct or indirect shareholding by the former promoters, or related entities.