

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA**

**S E T T L E M E N T   O R D E R**

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**(Application No. 6555/2021)**

**On the applications submitted by  
Mr. Vishal Bali (PAN: ABLPB4414B)**

**Settlement Order No: SO/GR/KG/2021-22/6555**

**In the matter of Fortis Healthcare Limited**

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1. SEBI had conducted an investigation into the alleged siphoning of funds by promoters and related entities of Fortis Healthcare Ltd (hereinafter referred to as 'FHL'/'Company') pursuant to a media article in February 2018 *inter-alia* alleging the promoters of FHL had taken at least Rs.5 billion rupees out of FHL and that the Statutory Auditor of FHL had refused to sign off on the company's second quarter results until the funds were accounted for.
2. Based on the findings of the investigation, it was *prima facie* observed that the non-independent directors of Fortis Hospitals Limited ("FHsL"), (including Mr Vishal Bali, being one of the members of the Executive Committee/ Treasury Committee of FHsL) (hereinafter referred to as 'Applicant') had failed to carry out adequate due diligence and exercise independent judgment with respect to the grant of loans / investments by FHsL during the period of investigation. It was thus alleged that the applicant was one of the individuals who had aided in the misuse and diversion of public shareholders' funds for the benefit of the promoters of FHL and FHsL. It was therefore, *prima facie* observed that the conduct of the applicant had led to the violations of the provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) regulations, 2003 [hereinafter referred to as

“(PFUTP) Regulations, 2003”] read with Section 12A(a), (b) & (c) of the SEBI Act, 1992.

3. Pursuant to the investigation and observations contained therein, SEBI appointed the undersigned as the Adjudicating Officer ('AO') vide communiqué dated January 07, 2021, conveyed vide communiqué dated January 19, 2021, to adjudicate upon the alleged violations by the applicant and if satisfied that the entity has become liable to penalty, may impose such penalty, as is found to be fit, in terms of Rule 5 of SEBI Adjudication Rules and the provisions of Section 15HA and 15HB of the SEBI Act, 1992.
4. In this regard, a Show Cause Notice ref.no. EAD-4/ADJ/GR/KG/OW/8529/1/2021 dated April 9, 2021 (hereinafter referred to as 'SCN') was *inter alia* issued to the applicant, containing the allegations as already described in the preceding paragraphs.
5. Pending Adjudication Proceedings commenced by the aforesaid SCN, the applicants proposed to settle the instant proceedings initiated against them, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed the settlement applications mentioned above, with SEBI in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as 'Settlement Regulations').
6. Pursuant to the above mentioned settlement application filed by the applicant, the Authorized Representatives (ARs) of the applicant attended meetings with the Internal Committee (hereinafter referred to as 'IC') on November 17, 2021. During the aforesaid meetings, the settlement terms of Rs. 65,02,500/- (Rupees Sixty Five Lakh Two Thousand and Five Hundred only) for Mr. Vishal Bali, as settlement amount towards the alleged violations stated above, was communicated to the AR of the applicant. Thereafter, the applicant had proposed to pay the aforesaid amount as communicated to him, towards full and final settlement of all regulatory, civil or

criminal proceedings in relation to the facts contained in the SCN without admitting or denying any violation on his part.

7. The settlement terms were placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on December 29, 2021, and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the applicants and other material made available before the HPAC by SEBI. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicants and also the material made available before it by SEBI, recommended that the aforesaid adjudication proceedings initiated against the applicants may be settled on payment of the aforesaid amounts towards the settlement terms. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on January 13, 2022 and the same was communicated to the applicant on January 17, 2022.
8. Subsequently, the applicant has remitted the respective settlement fees by way of online transfer on February 15, 2022. Further, the receipt of the abovementioned amount was confirmed by the concerned department of SEBI on February 17, 2022.
9. In view of the above and in terms of Regulation 23 (1) of the Settlement Regulations, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the applicant viz. Mr. Vishal Bali vide SCN ref.no. EAD-4/ADJ/GR/KG/OW/8529/1/2021 dated April 9, 2021.
10. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of Regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the applicants, if:
  - a. any representations made by the applicant in the settlement proceedings is subsequently found to be untrue; or

- b. The applicant's breach any of the clauses / conditions of undertakings/ waivers filed during the current settlement proceedings.
11. This settlement order is passed on the February 21, 2022 and shall come into force with immediate effect.
12. In terms of Regulation 25 of the Settlement Regulations, copy of this order is being sent to the applicant viz. Mr. Vishal Bali and also to the Securities and Exchange Board of India.

**Place: Mumbai**

**Date: February 21, 2022**

**G. RAMAR**

**ADJUDICATING OFFICER**