

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

SETTLEMENT ORDER

(Application No. 6482/2021, 6483/2021, 6486/2021 and 6522/2021)

On the applications submitted by

1. Mr. Ballinder Singh Dhillon (PAN: AAQPD3220K)
 2. Mr. Sandeep Puri (PAN: AHUPP2196B)
 3. Mr. Aditya Vij (PAN: ACJPV5963A)
 4. Religare Finvest Limited (PAN: AAFCS6801H)
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Settlement Order No: SO/GR/KG/2021-22/6482-83, SO/GR/KG/2021-22/6486 and
SO/GR/KG/2021-22/6522

In the matter of Fortis Healthcare Limited

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. Based on the findings of the investigation, SEBI, *inter alia*, observed certain 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"], Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR regulations") and Securities Contracts (Regulation) Act, 1956 ("SCRA"), *inter alia* alleged to have been committed by Mr. Ballinder Singh Dhillon (PAN: AAQPD3220K), Mr. Sandeep Puri (PAN: AHUPP2196B), Mr. Aditya Vij (PAN: ACJPV5963A) and Religare Finvest Limited (PAN: AAFCS6801H) (hereinafter referred to as 'Applicants').

Settlement order in respect of Mr Aditya Vij, Mr Sandeep Puri, Mr Balinder Singh Dhillon and Religare Finvest Limited in the matter of Fortis Healthcare Limited

2. Pursuant to the investigation and observations contained therein, SEBI appointed Shri G. Ramar as the Adjudicating Officer ('AO') vide communiqué dated January 07, 2021, conveyed vide communiqué dated January 19, 2021, to adjudicate upon the violations as alleged in the subsequent paragraphs by the said entities 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.
3. 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 issued to the applicants. Briefly, the following major observations/allegations were leveled against the applicants in the SCN:
4. Mr Sandeep Puri (Noticee No.30) who was one of the CFOs of FHL who certified the consolidated financials of FHL during a part of the period of investigation (FYs 11-12 and 13-14) was *prima facie* found to have violated the provisions of SEBI Act, SEBI (PFUTP) Regulations, 2003, SEBI (LODR) Regulations, 2015 and the provisions of Listing Agreement. Further, The CEO / CFO certificate inter alia issued by Mr Sandeep Puri (Noticee No.30), in the Annual Reports of FHL during the IP inter-alia stating that "the financials of FHL presented true and fair view of its affairs and not containing any misleading statement" was misleading and thus they violated the provisions of Clause 49(V) of the Listing Agreement; Clause 49(IX) of the Listing Agreement (post amendment dated 17/04/2014) read with Regulation 103 of the SEBI (LODR) Regulations, 2015 and Section 21 of the SCRA, 1956 and Regulation 17(8) & 33(2)(a) of the SEBI (LODR) Regulations, 2015.
5. The non-independent directors of Fortis Hospitals Limited ("FHsL") *inter alia* including Mr Aditya Vij, Mr Sandeep Puri, along with Mr Balinder Singh Dhillon (being one of the members of the Executive Committee/ Treasury Committee of FHsL) had failed to carry out adequate due diligence and exercise independent judgment with respect to the grant of loans / investments by FHsL to the three 3

borrower companies during the period of investigation. Thus they also aided in the misuse and diversion of public shareholders' funds through the 3 borrower companies for the benefit of RHC Holding and consequently Malvinder Mohan Singh and Shivinder Mohan Singh. Thus, all the above persons violated the provisions of Section 12A(a), (b) & (c) of the SEBI Act, 1992 and Regulations 3(b), (c) & (d) and 4(1) of the SEBI (PFUTP) Regulations, 2003.

6. It was alleged that viz. Mr Balinder Singh Dhillon (Noticee No. 28), one of the non-independent directors of FHL, had failed to abide by the principles governing disclosures and obligations as prescribed with respect to listed companies and thus, violated the provisions of Clause 49(I)(D) of the Listing Agreement, Clauses 49(I)(D)(1)(b); 49(I)(D)(2)(f); 49(I)(D)(3)(c),(f),(g),(i),(l), 49(II)(E)(2) of the Listing Agreement read with Regulation 103 of the SEBI (LODR) Regulations, 2015 and Section 21 of the SCRA, 1956 and Regulations 4(2)(f)(i)(2); 4(2)(f)(ii)(6); 4(2)(f)(iii)(1)(3),(6),(7),(9),(12) & 26(3) of SEBI (LODR) Regulations, 2015.
7. Religare Finvest Limited (Noticee No. 4) was alleged to be one of the conduit entities who had aided and abetted the routing of funds from FHL, ultimately to RHC Holdings, for the benefits of the promoter entities, thereby prima facie violating the provisions of Section 12A(a), (b) & (c) of the SEBI Act, 1992 and Regulations 3(b), (c)&(d) and 4(1) of the SEBI (PFUTP) Regulations, 2003.
8. 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').
9. Pursuant to the above mentioned settlement applications filed by the applicants, the Authorized Representatives (ARs) of the applicants attended meetings with the

Internal Committee (hereinafter referred to as 'IC') on September 23, 2021. During the aforesaid meetings, the settlement terms of Rs. 93,50,000/- (Rupees Ninety Three Lakh Fifty Thousand only) each for Mr. Balinder Singh Dhillon and Mr. Sandeep Puri, Rs. 65,02,500/- (Rupees Sixty Five Lakh Two Thousand and five Hundred only) for Mr. Aditya Vij and Rs. 1,82,32,500 (Rupees One Crore Eighty Two Lacs Thirty Two Thousand five Hundred only) for Religare Finvest Limited, as settlement amount towards the alleged violations stated above, was communicated to the ARs of the applicants. Thereafter, the applicants vide communications of various dates, have proposed to pay the aforesaid amount as communicated to them, 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 their part.

10. The settlement terms were placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on November 9, 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 November 22, 2021 and the same was communicated to the applicants vide email dated November 29, 2021.
11. Subsequently, the applicants have remitted the respective settlement fees by way of online transfer. Further, the receipt of the abovementioned amount was confirmed by the concerned department of SEBI on January 25, 2022.
12. 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 applicants viz. Mr Aditya Vij, Mr Sandeep Puri, Mr Balinder Singh Dhillon and Religare Finvest Limited vide SCN ref.no. EAD-4/ADJ/GR/KG/OW/8529/1/2021 dated April 9, 2021.

13. 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 applicants in the settlement proceedings is subsequently found to be untrue; or
 - b. the applicants breach any of the clauses / conditions of undertakings/ waivers filed during the current settlement proceedings.
14. This settlement order is passed on the January 25, 2022 and shall come into force with immediate effect.
15. In terms of Regulation 25 of the Settlement Regulations, copies of this order are being sent to the applicants viz Mr Aditya Vij, Mr Sandeep Puri, Mr Balinder Singh Dhillon and Religare Finvest Limited and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: January 31, 2022

G. RAMAR

ADJUDICATING OFFICER