भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

Securities and Exchange Board of India

Enquiries and Adjudication Department-EAD-4

EAD-4/ADJ/GR/KG/OW/ 8529/1 /2021

April 09, 2021

By Speed Post / AD

Sl. No.	Name of entity and PAN	Address
1	Best Healthcare Private Limited. (AADCB1811A)	55, Hanuman Road, Connaught Place, New Delhi - 110001
2	Fern Healthcare Private Limited. (AACCR3509E)	55, Hanuman Road, Connaught Place, New Delhi - 110001
3	Modland Wears Private Limited (AAACM0216F)	55, Hanuman Road, Connaught Place, New Delhi - 110001
4	Religare Finvest Limited (AAFCS6801H)	5th Floor, Salcon Rasvilas, Saket District Centre, New Delhi-110017
5	Escorts Heart Institute and Research Centre Limited (AAACE8731F)	SCO 11, Sector-11-D Chandigarh Chandigarh CH 160011
6	Fortis Healthcare Holdings Pvt Ltd (AAACF6715A)	G - 16, MARINA ARCADE, CONNAUGHT CIRCUS, NEW DELHI Central Delhi DL 110001
7	RHC Finance Private Limited (AAACW7196C)	G - 16, MARINA ARCADE, CONNAUGHT CIRCUS, NEW DELHI Central Delhi DL 110001
8	Shimal Healthcare Private Limited (AADCR9657A)	G - 16, MARINA ARCADE, CONNAUGHT CIRCUS, NEW DELHI Central Delhi DL 110001
9	ANR Securities Private Limited (AADCA7654E)	G - 16, MARINA ARCADE, CONNAUGHT CIRCUS, NEW DELHI Central Delhi DL 110001
10	Oscar Investments Limited (AAACO1722C)	TAJ BUILDING,C-4, C-5, 1ST FLOOR, 210, D.N. ROAD, FORT, MUMBAI MH 400001

11	Ligare Aviation Limited (formerly - Religare Aviation Limited) (AAACV3934B)	G-16, MARINA ARCADE, CONNAUGHT CIRCUS, NEW DELHI Central Delhi DL 110001
12	Adept Lifespaces Pvt Ltd (Formerly - Adept Creations Pvt Ltd) (AAACF6715A)	Office No. 103-B, Ground Floor, Plot No.45-A, Amar Plaza, Hasanpur Main Road, I.P Extension, Delhi East Delhi DL 110092
13	Best Cure Pvt Ltd (New Name - Devera Developers Pvt Ltd) (AAACW7196C)	Ground Floor, A-Wing, D-3, District Centre, Saket, New Delhi South Delhi DL 110017
14	Rexcin Finance Private Limited (AADCR9657A)	Shop No. 20, First Floor DDA Market, New Rajdhani Enclave Delhi East Delhi DL 110092
15	Best Medicines Pvt Ltd (New Name - Best Health Management Private Limited) (AADCA7654E)	55, Hanuman Road, Connaught Place, New Delhi - 110001
16	Artifice Properties Private Limited (AAACO1722C)	Shop No. 20, First Floor DDA Market, New Rajdhani Enclave Delhi East Delhi DL 110092
17	Ranchem Private Limited (AAACV3934B)	G - 16, MARINA ARCADE, CONNAUGHT CIRCUS, NEW DELHI Central Delhi DL 110001
18	Addon Realty Private Limited (CIN No. - U74120DL2008PTC173921)	D-3,District Centre Saket New Delhi South Delhi DL 110017
19	AD Advertising Private Limited (CIN No. - U74120DL2008PTC173921)	574 2ND FLOOR MAIN ROAD CHIRAGDELHI . NEW DELHI DELHI INDIA 110017
20	Rosestar Marketing Private Limited (AAFCR2252M)	Shop No. 29, Ground Floor CSC, New Rajdhani CHBS Ltd, Preet Vihar Delhi East Delhi DL 110092
21	Torus Buildcon Private Limited (AACCT8158M)	Shop No. 20, First Floor DDA Market, New Rajdhani Enclave Delhi East Delhi DL 110092
22	Tiger Developers Private Limited (AACCT7439H)	Shop No. 20, First Floor DDA Market, New Rajdhani Enclave Delhi East Delhi DL 110092

23	Zolton Properties Private Limited (AAACZ2996D)	Shop No. 20, First Floor DDA Market, New Rajdhani Enclave Delhi East Delhi DL 110092
24	Saubhagya Buildcon Private Limited (AALCS1157L)	Shop No. 20, First Floor DDA Market, New Rajdhani Enclave Delhi East Delhi DL 110092
25	Lowe Infra and Wellness Private Limited (AABCL4590L)	Ground Floor,Plot No.A-3,4 &5 Sector-125,Noida Noida Gautam Buddha Nagar UP 201301
26	Fortis Global Healthcare Private Ltd (AABCF4146Q)	G - 16, MARINA ARCADE, CONNAUGHT CIRCUS, NEW DELHI Central Delhi DL 110001
27	Vishal Bali (ABLPB4414B)	A3, Cottage Chartered Langford Road,Bangalore - 560025
28	Balinder Singh Dhillon (AAQPD3220K)	House No. 139, sector 8-A, Chandigarh-160018
29	Jasbir Grewal (ABUPS7890M)	Flat No. 902, Tower -4, Vipul Belmonte, Golf Course Road, Sector 53, Gurgaon, Haryana- 122009
30	Sandeep Puri (AHUPP2196B)	S-309, Panchshila Park, New Delhi - 110017
31	Anurag Kalra (AHUPP2196B)	H.No.29, Ground Floor, New Mandakini, Delhi – 110049
32	Anurag Yadav (AACPY7690N)	7-702, East End Apartment, Mayur Vihar Phase 1 Extention, Mayur Vihar, New Delhi 110096
33	Aditya Vij (ACJPV5963A)	3/27, Shanti Niketan, New Delhi - 110021
34	Ashish Bhatia (ABGPB9476J)	H No 73, Sector 9A,Chandigarh - 160009
35	Daljit Singh (AKLPS6034R)	B-6/9, DLF, Phase - I,Gurgaon,Haryana-122001
36	Ritu Garg (AHDPM5930F)	D-8, Surbhi Apartments, Sector 43,Next to Gold Souk,Gurgaon - 122002

37	Preetinder Singh Joshi (ACPPJ8362F)	Maharaj Sawan Singh Charitable Hospital, Beas, Amritsar, Punjab-143201
38	Sunil Godhwani (AACPG6998F)	A-2, Inayat Farm, Fatehpur beri, P.O. Mehrauli, new-Delhi- 110030
39	Ravi Umesh Mehrotra (AADPM4128J)	FLT/RM A, Block 1,FLR 40 Estoril Court, 55, Garden Road,Mid Levels, Hong Kong
40	Harpal Singh (ABEPS1662H)	B-10, Anand Niketan,New Delhi- 110021
41	Brian William Tempest (DIN No. – 00101235)	South Park Farm, Grayswood Road, Haslemere, United Kingdom
42	Pradeep Raniga (DIN No. – 03291083)	32, Kyora Parade Blawyn. North Victoria 3104, Australia
43	Lt. Gen. Tejinder Singh Shergill (AHOPS1322E)	God's Palm, Village-Chauki-Dhaulas, via Ganghora, Dehradun-248141
44	Mr. Hemant Dhingra (ADPPD0934Q)	P-23, Malviya Nagar,New Delhi - 110017
45	Rashim Tandon, (Partner, Deloitte Haskins & Sells LLP) (Membership No. - 095540)	Chartered Accountants, 7th floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase-II, Gurugram-122002, Haryana, India

Sub: Notice under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties) Rules, 1995 read with Section 15-I of Securities and Exchange Board of India Act, 1992 in the matter of Fortis Healthcare Limited

BACKGROUND

1. The Securities and Exchange Board of India (**SEBI**"), had initiated an investigation pursuant to a media article in February 2018 *inter-alia* alleging the promoters of Fortis Healthcare Limited (hereinafter referred to as "**FHL/company**") 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.

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned was appointed to act as an Adjudicating Officer under Section 19 of the SEBI Act, read with Sub-section (1) of Section 15 I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules vide Order dated January 07, 2021, conveyed vide communique 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. A copy of the communique dated January 19, 2021, is annexed as **Annexure-1.**

FACTS OF THE CASE

3. The said investigation was primarily in to the matter of grant of Inter-Corporate Deposits (hereinafter also referred to as "ICDs") to three borrower companies viz, Best Healthcare Private Limited ("Best"), Fern Healthcare Private Limited ("Fern") and Modland Wears Private Limited ("Modland") and the focus of the investigation was to ascertain whether there was any violation of the provisions of SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 ("PFUTP Regulations") and/or any other Rules/Regulations made by SEBI during the period between April 01, 2011 to March 31, 2018 (hereinafter referred to as 'Investigation Period / IP').

4. For the purpose of this show cause notice, the following terms are also referred to as under:

Table 1 Abbreviations Used

S. No.	Name of Company	Abbreviation
1	Fortis Healthcare Limited	FHL
2	Fortis Hospitals Limited	FHsL
3	Fortis Healthcare Holdings Private Limited	FHHPL
4	Fortis Global Healthcare Limited	Fortis Global
5	Escorts Heart Institute and Research Centre Limited	EHIRCL

S. No.	Name of Company	Abbreviation
6	ReligareFinvest Limited	RFL
7	RHC Holding Private Limited	RHC / RHC Holding
8	RHC Finance Private Limited	RHC Finance
9	Religare Enterprises Limited	REL
10	Malav Holdings Private Limited	Malav
11	Shivi Holdings Private Limited	Shivi
12	Best Healthcare Private Limited	Best
13	Fern Healthcare Private Limited	Fern
14	Modland Wears Private Limited	Modland
15	Lowe Infra and Wellness Private Limited	Lowe
16	Oscar Investments Limited	Oscar
17	ANR Securities Private Limited	ANR
18	Ranchem Private Limited	Ranchem
19	Artifice Properties Private Limited	Artifice
20	Torus Buildcon Private Limited	Torus
21	Addon Realty Private Limited	Addon / Addon Realty
22	Shimal Healthcare Private Limited	Shimal
23	SaubhagyaBuildcon Private Limited	Saubhagya
24	Adept Lifespaces Private Limited	Adept
25	Ligare Aviation Limited	Ligare
26	Rexcin Finance Private Limited	Rexcin
27	Best Health Management Private Limited	BHMPL
28	AD Advertising Private Limited	AD Advertising
29	Rosestar Marketing Private Limited	Rosestar
30	Tiger Developers Private Limited	Tiger
31	Best Cure Private Limited	Best Cure

S. No.	Name of Company	Abbreviation
32	Zolton Properties Private Limited	Zolton
33	Mr. Malvinder Mohan Singh	MMS / Malvinder
34	Mr. Shivinder Mohan Singh	SMS / Shivinder
35	Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh	Singh Brothers / promoters
36	Best/Fern/Modland	Borrower companies / entities

5. On preliminary analysis by SEBI, it was *prima facie* observed that FHL through its subsidiary viz. Fortis Hospitals Ltd. (hereinafter referred to as "FHsL") had given Inter-corporate deposits (ICDs) to 3 companies to the tune of Rs.576 crores during December 2011. It was also observed from the verification of bank statements of the said 3 companies that the ICD amounts were transferred to promoters/promoter connected entities. Further, there were several other transactions observed between the 3 companies and the promoters/promoter connected entities.

6. In view of large number of entities, transactions to be analyzed and voluminous data to be analysed, a Forensic Auditor (i.e. MSA Probe Consulting Pvt. Ltd.) was appointed in the matter on May 10, 2018 to examine the alleged diversion of funds from FHL / its subsidiaries for the benefit of promoter / promoter connected entities.To understand the end use of the ICDs and the true nature of the transactions, the Forensic Audit Report segregated the transactions and gave its findings under the heads mentioned below:

i. ICDs issued in December 2011 for transfer of land to RHC Holding.
ii. Short term ICDs given by FHsL to borrowers from time to time for the benefit of Promoters.
iii. Ultimate utilization by Promoter Entities of ICDs which are outstanding till date.
iv. Misrepresentation in Financial Statements through Structured Movement of ICDs.

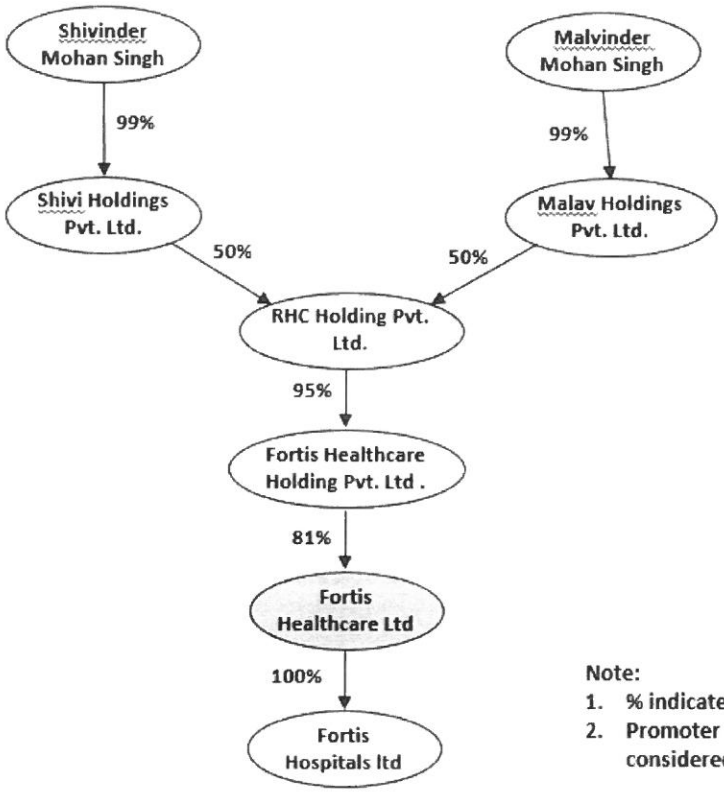
7. The forensic audit report {hereinafter referred to as "MSA report / FAR"} was finalized and submitted to SEBI on October 10, 2018. The Forensic Audit Report as well as the annexures thereto are placed at **Annexure-2.** Thereafter, further details/information were also obtained from the company/related entities in the said matter as a part of investigation.

8. In view of the observations of the FAR, it was observed that the interest of shareholders of FHL was affected as funds to the tune of Rs. 403 crore (approx.) had moved out from a listed company for the ultimate benefit of erstwhile promoters of FHL. Pursuant to receipt of the FAR, further details were sought during the course of investigation and the findings of the investigation are given in the succeeding paragraphs.

9. The findings of the investigation against the Noticee(s) are given in the following paragraphs.

9.1. Ownership Structure of FHL during the beginning of IP (i.e. during March 31, 2011) is shown below for easy reference:

Chart 1 – Ownership Structure of FHL



It was observed from the shareholding pattern of FHL that majority shareholder in the promoter group of FHL was Fortis Healthcare Holdings Pvt Ltd (FHHPL) and amongst other promoters were SMS, MMS, RHC Holding Pvt Ltd. Further, FHHPL was controlled by RHC Holding, which was in turn was entirely held by SMS and MMS through Shivi Holdings Private Limited and Malav Holdings Private Limited respectively. Thus, MMS and SMS, through entities controlled by them, were the controlling shareholders and promoters of FHL. The detailed shareholding pattern of FHL for the entire IP is placed at **Annexure-3**. Also, Fortis Health Management North Limited/FHMNL(till its merger with FHsL in 2013) and FHsL were wholly owned subsidiaries of FHL during the IP.

9.2. **Funding from FHL to FHsL:-**From the FAR and information collected during the course of investigation, it was observed that during 2011 to 2017, funds were moved out from FHL through FHsL. In this regard, information was obtained by SEBI from FHL in reference to the financing facility between FHL and FHsL. Based on the reply obtained from FHL, the following was *prima facie* observed:

i. The Board of Directors of FHL in their meeting held on April 14, 2011 had given their approval for making loans to and / or give guarantee / provide any security in connection with loans so made or investments, by way of subscription, purchase or otherwise, in the securities of, any one or more of the FHL's subsidiaries, for an amount not exceeding Rs. 2,000 crore.

ii. Thereafter, FHMNL and FHL entered into a MoU on June 01, 2011 by which FHL agreed to lend a sum of Rs. 20 crore to FHMNL in the form of ICDs at 10% interest p.a.

iii. On November 15, 2011, FHMNL and FHL signed an Addendum to the aforementioned MoU by which the aforementioned ICD amount was increased from Rs. 20 crore to Rs. 600 crore. The rate of interest of this ICD was 13% p.a.

From the above, it was observed that during November 2011, FHMNL had arranged an amount of Rs. 600 crores from its parent company FHL. These funds were further lent / invested by FHMNL and thereafter FHsL (post-merger with FHMNL) to various other entities. The same is discussed in the subsequent paragraphs.

9.3. **Findings of the investigation**: -During the investigation, a detailed analysis of ledger accounts of Best, Fern and Modland in the books of FHMNL / FHsL along with the analysis of the bank account statements of Best, Fern, Modland, FHsL and other entities was carried out.

The complete ledger account statements of Best, Fern and Modland in the books of FHMNL / FHsL is placed at **Annexure-4** and the extracts of ledger accounts of Best, Fern and Modland in the books of FHMNL / FHsL for FY 2011-12 to FY 2017-18 is placed at **Annexure-5.**

The transactions appearing in the ledger accounts of Best, Fern and Modland were verified with respective bank statements. Accordingly, transactions were classified into five categories:

10.3.1 Initial Loan Transactions and their repayments – These include initial ICDs granted by FHMNL to Best, Fern and Modland on December 28, 2011 and its subsequent repayments.

a. FHMNL (subsequently merged into FHsL) issued ICDs to Best, Fern and Modland for the first time during December, 2011. In this regard, it was observed from the MSA report that the said ICDs were linked to a land deal made by a subsidiary of FHL (i.e. EHIRCL). The details of the land deal are explained hereunder:

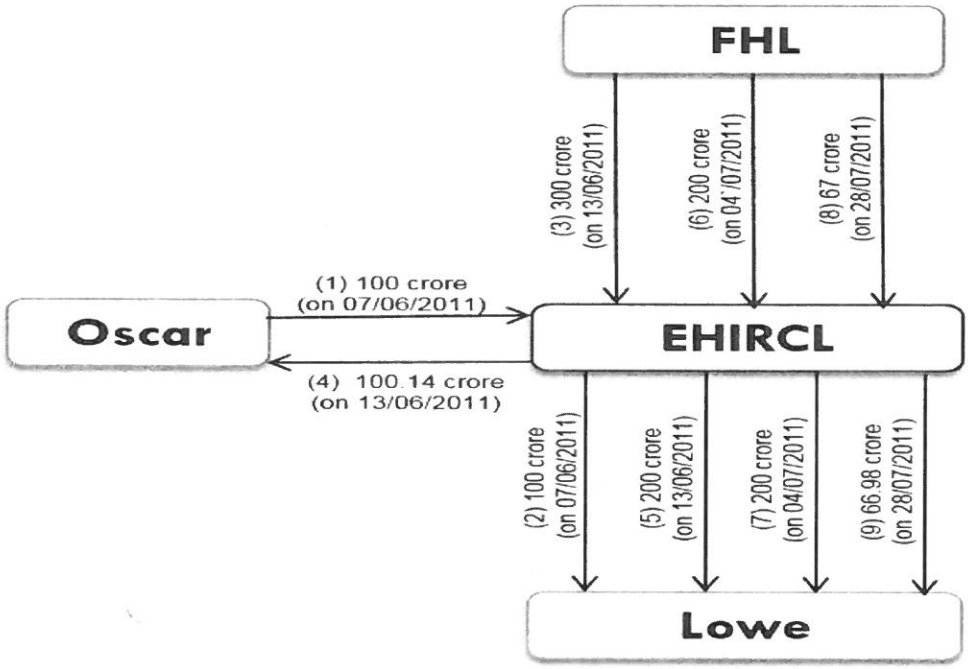
b. A parcel of land situated at Golf Course Extn Road, Sector 62, Gurgaon was purchased by EHIRCL during May 2011.In this regard, The Board of Directors of FHL, in their meeting held on April 24, 2011 passed a resolution for making loans to and / or give guarantee / provide any security in connection with loans so made or investments, by way of subscription, purchase or otherwise, in the securities of, any one or more of the FHL's subsidiaries, for an amount not exceeding Rs. 2,000 crore. Subsequent to required borad resolutions, Rs. 567 crores were given by FHL to EHIRCL during the period June 07, 2011 to July 28, 2011, which were subsequently transferred by EHIRCL to Lowe {which used the funds for purchasing the land from M3M}, in the following manner:

Table 2 Flow of funds relating to purchase of Land

Date	Transferred From	Transferred To	Amount (in Rs.)
07/06/2011	Oscar Investments	EHIRCL	100,00,00,000
07/06/2011	EHIRCL	Lowe	100,00,00,000
13/06/2011	FHL	EHIRCL	300,00,00,000
13/06/2011	EHIRCL	Oscar	100,13,68,493

13/06/2011	EHIRCL	Lowe	200,00,00,000
04/07/2011	FHL	EHIRCL	200,00,00,000
04/07/2011	EHIRCL	Lowe	200,00,00,000
28/07/2011	FHL	EHIRCL	67,00,00,000
28/07/2011	EHIRCL	Lowe	66,98,00,000

Chart 2 – Flow of funds from FHL to Lowe during Land Deal



As can be seen from the above transactions, EHIRCL had transferred approx. Rs. 567 crore (that it had received from FHL) to Lowe in multiple transactions.

c. The Board of Directors of EHIRCL, in their meeting held on December 13, 2011 decided to cancel the collaboration agreement with Lowe (entered for the purpose of acquiring land) and call back the amount of Rs. 567 crore (along with interest @14%) that EHIRCL had given to Lowe.

d. Thereafter, RHC Holding decided to take over Lowe and hence, the land was also acquired by RHC Holding. Since RHC Holding took over Lowe in December 2011, an amount of Rs. 603 crore (approx.) was transferred by RHC to Lowe on December 28, 2011 which was used by Lowe to repay EHIRCL.

e. However, on analyzing the bank account statement of RHC, Lowe, FHL, FHMNL and various other entities, a lot of high value fund movements were observed during December 28, 2011. It was also observed that during the same time, FHMNL decided to issue ICDs to the tune of Rs. 576 crore to three entities (viz. Best, Fern and Modland) and funds were transferred by FHMNL to Best, Fern and Modland on December 28, 2011.

Hence, the bank account statements of aforementioned entities were analysed for December 28, 2011 to ascertain the actual movement of funds. However, on analyzing the bank account statement of other entities, it was observed that on December 28, 2011, EHIRCL / FHL effectively did not receive any funds. Rather a complex mirage of transactions by way of ICDs issued by FHMNL to Best, Fern and Modland were used to show that Lowe had paid back its loan to EHIRCL. In this regard, the series of bank account transfers that took place on December 28, 2011 has been explained below:

- **Rotational movement of funds through Modland** - Initially, RHC Holding transferred Rs. 200 crore to FHHPL. Thereafter, FHHPL transferred the same amount to Lowe and Lowe transferred the same amount to EHIRCL (*indicating repayment of loan*). EHIRCL, in turn transferred the same amount to FHL which transferred further to FHMNL. Then, FHMNL transferred the same amount to Modland (*indicating issue of ICD*) and Modland transferred the same amount to RHC Holding through various entities, thereby completing the 1st circle of movement of money from RHC Holding back to RHC Holding.

- **Rotational movement of funds through Best** -Thereafter, RHC Holding transferred Rs. 200 crore to RHC Finance which transferred it to Lowe and Lowe transferred the same amount to EHIRCL (*indicating repayment of loan*). EHIRCL transferred Rs. 176 crore to FHL which further transferred the same to FHMNL. Thereafter, FHMNL transferred Rs. 176 crore to Best (*indicating issue of ICD*). Additionally, EHIRCL transferred the remaining Rs. 24 crore to Best. Thereafter, Best transferred Rs. 105 crore to Ranchem and Rs. 95 crore to ANR. Ranchem and ANR transferred the said amounts of Rs. 105 crore and Rs. 95 crore respectively to RHC, thereby completing the 2nd circle of movement of money from RHC Holding to RHC Holding.

- **Rotational movement of funds through Fern -** Thereafter, RHC Holding transferred Rs. 83.50 crore each to FHHPL and RHC Finance which were subsequently transferred by both entities to Lowe. Additionally, RHC Holding also transferred Rs. 36.50 crore to Adept which were further transferred by Adept to Lowe. Hence, Lowe in total got Rs. 203.5 crore in this round, which it then transferred Rs. 203.45 crore to EHIRCL (*indicating repayment of loan*). EHIRCL, transferred Rs. 203.30 crore to FHL and FHL transferred Rs. 200 crore to FHMNL. Then, FHMNL transferred Rs. 200 crore to Fern (*indicating issue of ICD*). Thereafter, Fern transferred Rs. 95.1 crore to ANR which were further transferred by ANR to RHC. Fern transferred the remaining Rs. 104.90 crore to RHC Holding directly, thereby completing the 3rd circle of movement of money from RHC Holding back to RHC Holding.

f. As can be seen from above, it was observed that no actual payments were received / made between the aforementioned entities on December 28, 2011 as funds were rotated circularly between various entities to show that Lowe had paid back the loan amount to EHIRCL. Whereas in actual, no

payment was received by EHIRCL, instead the creditor in the form of Lowe in the books of account of EHIRCL got changed to Best, Fern and Modland in the books of account of FHMNL.

g. As a result, RHC Holding became the actual beneficiary of the aforementioned movement of funds as it got the land (by taking over Lowe) without having to pay any amount in respect of the same. However, from the ledger account statements of Best, Fern and Modland, it was observed that these entities had paid back the ICD amount to FHsL (post merger with FHMNL) during September 2013 to July 2015 and RHC Holding had provided funds to said entities to repay to FHsL.

h. Details of flow of funds from FHMNNL to RHC (through Best, Fern and Modland) on December 28, 2011 and the subsequent repayments of the same (along with the fund movements) is given below:

Outflow of funds from FHMNL

Table 3Flow of funds from FHMNL to RHC Holding on December 28, 2011

28/12/2011	FHMNL 176,00,00,000	→	Best 200,00,00,000	→	Ranchem 105,00,00,000	→	RHC 105,00,00,000
	EHIRCL 24,00,00,000			→	ANR 95,00,00,000		RHC 95,00,00,000
	FHMNL 200,00,00,000	→	Fern 200,00,00,000	→	ANR 95,10,00,000	→	RHC 95,10,00,000
				→			RHC 104,90,00,000
	FHMNL 200,00,00,000	→	Modland 200,00,00,000	→	Ranchem 200,00,00,000	→	RHC 200,00,00,000

Inflow of funds to FHMNL / FHsL

Table 4Flow of funds from RHC Holding to FHMNL / FHsL during December 2011 to July 2015

30/12/2011	FHMNL 10,00,00,000	←	Best 10,00,00,000	←			RHC 10,00,00,000

01/11/2013	FHsL 85,00,00,000	←	Modland 10,00,00,000	←	Rexcin 10,00,00,000	←	Ranchem 38,00,00,000	← RHC 85,00,00,000
			Best 8,00,00,000	←				
			Fern 20,00,00,000	←				
			Fern		Fortis Global			

			30,00,00,000		30,00,00,000						
			Fern 5,00,00,000	←	Fortis Global 5,00,00,000	←					
			Modland 2,00,00,000	←	BHMPL 2,00,00,000	←	ANR 17,00,00,000	←			
			Best 10,00,00,000		←						

31/12/2013	FHsL 100,00,00,000	←	Modland 100,00,00,000	←	Ranchem 100,00,00,000	←	RHC 100,00,00,000

28/03/2014	FHsL 88,00,00,000	←									Modland 90,00,00,000	←	Shimal 280,00,00,000	←	Malvinder 150,00,00,000	←	RHC 280,00,00,000
	FHsL 145,00,00,000	←									Fern 150,00,00,000						
	FHsL 10,44,60,493	←	Best 6,91,00,000	←	ANR 4,30,00,000	←											
					ANR 2,61,00,000	←	Modland 3,45,00,000	←	Saubhagya 3,45,00,000	←	Best 40,00,00,000				Shivinder 130,00,00,000		
	FHsL 32,00,00,000	←															
	FHsL 4,55,39,507	←															

02/04/2014	FHsL 35,00,00,000	←	Best 40,00,00,000	←	Shimal 20,00,00,000	←	Malvinder 20,00,00,000	←	RHC 40,00,00,000
	FHsL 4,78,50,849				Shimal 20,00,00,000	←	Shivinder 20,00,00,000		

30/04/2015	FHsL 20,20,02,188	←	Best 20,20,00,000	←	Saubhagya 20,20,00,000	←	Modland 20,25,00,000	←	Ranchem 20,25,00,000	←	RHC 20,25,00,000

29/05/2015	FHsL 20,40,04,385	←	Best 100,00,00,000	←	ANR 100,00,00,000	←	RHC 100,00,00,000	

01/07/2015	FHsL 20,62,82,742	←	Best 22,10,00,000	←	Ranchem 22,10,00,000	←	RHC 22,10,00,000

31/07/2015	FHsL 6,06,69,701	←	Best 20,25,00,000	←	Ranchem 20,25,00,000	←	RHC 20,25,00,000

i. From the above, it was observed that Rs. 576 crore was transferred from FHMNL to RHC Holding (through Best, Fern and Modland) on December 28, 2011. FHMNL, in its books of accounts showed this amount as ICD to the 3 borrower companies and as per the terms of the said ICDs, these ICDs were to be repaid by the 3 borrower companies to FHMNL by March 30, 2012. However, the repayments of said amounts was made by the 3 entities from the period December 30, 2011 to July 31, 2015 and such repayments were made through RHC Holding. Hence, it was observed that RHC Holding utilized this money (Rs. 576 crore approx.) for more than 3 years and no such disclosure was made by FHL in its financial statements during the concerned FYs.

j. From the above mentioned analysis and pattern of flow of funds, it is alleged that the same was carried out to falsely portray that RHC Holding had paid the consideration money of Rs.600 crores in three tranches to Lowe / FHL for the land on 28/12/2011. However, in reality, no consideration was paid by RHC Holding.

k. Although, RHC Holding was observed to have subsequently repaid Rs.600 crores to FHL through FHsL with 14% interest per annum, the said repayment was over a period of four years and was completed by July 31, 2015. Thus, though RHC Holding ultimately paid the consideration for land, it was after a period of more than 3 years. In other words, ICDs/loans that FHL provided to Best, Fern and Modland through FHMNL / FHsL was actually utilized by RHC Holding for a period of 3-4 years, without any such disclosure made by FHL in its consolidated financial statements during the concerned FYs.

10.3.2 Subsequent Short Term Loans / ICDs – These include several short term ICDs that were given by FHMNL / FHsL to Best, Fern and Modland during the period December 2012 to March 2016.

a. Subsequent to the initial loans / ICDs during December 2011, it was observed that FHMNL (a wholly owned subsidiary of FHL) and post-merger, FHsL had

granted several other short term ICDs / loans to Best, Fern and Modland during the period December 2012 to March 2016. It was also observed that the funds for granting such short term ICDs / loans to the 3 borrower companies, were received by FHMNL/FHsL from FHL only. A summary of these short term loans and their repayments as appearing in ledger account of Best, Fern and Modland is reproduced in Table below:

Table 5:

Extract of Ledger of Short term ICDs to Best

Instances	Date	Narration	Debit (INR)	Credit (INR)	Balance (INR)
1	26/12/2012	BEING AMOUNT PAID TO BEST	100,00,00,000		266,00,00,000
1	31/12/2012	REPAYMENT OF LOAN FRO BEST		100,00,00,000	166,00,00,000
2	26/07/2013	BEING AMOUNT TRANSFER TO BEST	75,00,00,000		241,00,00,000
2	29/07/2013	BEING AMOUNT RECD FROM BEST		75,00,00,000	166,00,00,000
3	20/08/2013	BEING AMOUNT TRANSFER TO BEST	75,00,00,000		241,00,00,000
3	30/08/2013	BEING AMOUNT RECD FROM BEST		75,00,00,000	166,00,00,000
4	16/09/2013	BEING AMOUNT TRANSFER TO BEST	60,00,00,000		226,00,00,000
4	23/09/2013	BEING AMOUNT RECD FROM BEST		60,00,00,000	166,00,00,000
5	21/11/2013	BEING AMOUNT TRASNFER TO BEST	100,00,00,000		248,00,00,000
5	21/11/2013	BEING AMOUNT RECD FROM BEST		100,00,00,000	148,00,00,000
6	18/12/2013	BEING AMOUNT TRANSFER TO BEST	100,00,00,000		248,00,00,000
6	23/12/2013	BEING AMOUNT RECD FROM BEST		100,00,00,000	148,00,00,000
8	24/09/2014	BEING AMOUNT TRANSFER TO BEST	100,00,00,000		166,00,00,000
8	26/09/2014	BEING AMOUNT RECD FROM BEST		100,00,00,000	66,00,00,000
11	16/09/2015	BEING FUND TRNASFER TO BEST	200,00,00,000		200,00,00,000
11	30/09/2015	BEING FUND RECD FROM BEST		50,00,00,000	150,00,00,000
11	30/09/2015	BEING CHQ. NO. 327330 DT. 30.09.15 RECD FROM BEST HEALTHCARE		150,00,00,000	0
12	26/11/2015	FUND TRANSFER TO BEST	200,00,00,000		200,00,00,000
12	30/12/2015	BEING FUND RECD FROM BEST		200,00,00,000	0
13	01/01/2016	FUND TRANSFER TO BEST	200,00,00,000		200,00,00,000
13	29/01/2016	FUND TRANSFER TO BEST	100,00,00,000		300,00,00,000
13	15/03/2016	FUND RECD FROM BEST		80,00,00,000	220,00,00,000
13	30/03/2016	FUND RECD FROM BEST		145,00,00,000	75,00,00,000
13	31/03/2016	FUND RECD FROM BEST		75,00,00,000	0

Table 6 Extract of Ledger of Short term ICDs to Fern

Instances	Date	Narration	Debit (INR)	Credit (INR)	Balance (INR)
1	26/12/2012	BEING AMOUNT TRANSFER TO FERN	100,00,00,000		300,00,00,000
1	29/01/2013	BEING AMOUNT RECIEVED FROM FERN		100,00,00,000	200,00,00,000
2	26/07/2013	BEING AMOUNT TRANSFER TO FERN	100,00,00,000		300,00,00,000
2	29/07/2013	BEING AMOUNT RECD FROM FERN		100,00,00,000	200,00,00,000
3	20/08/2013	BEING AMOUNT TRANSFER TO FERN	80,00,00,000		280,00,00,000
3	22/08/2013	BEING AMOUNT RECD FROM FERN		25,00,00,000	255,00,00,000
3	30/08/2013	BEING AMOUNT RECD FROM FERN		55,00,00,000	200,00,00,000
4	16/09/2013	BEING AMOUNT TRANSFER TO FERN	65,00,00,000		265,00,00,000
4	23/09/2013	BEING AMOUNT RECD FROM FERN		65,00,00,000	200,00,00,000
5	21/11/2013	BEING AMOUNT TRASNFER TO FERN	100,00,00,000		245,00,00,000
5	21/11/2013	BEING AMOUNT RECD FROM FERN		100,00,00,000	145,00,00,000
6	18/12/2013	BEING AMOUNT TRANSFER TO FERN	100,00,00,000		245,00,00,000
6	23/12/2013	BEING AMOUNT RECD FROM FERN		100,00,00,000	145,00,00,000
7	05/08/2014	BEING AMOUNT TRANSFER TO FERN	100,00,00,000		100,00,00,000
7	08/08/2014	BEING AMOUNT RECD FROM FERN		100,00,00,000	0
8	24/09/2014	BEING AMOUNT TRANSFER TO FERN	100,00,00,000		100,00,00,000
8	07/10/2014	BEING AMOUNT RECD FROM FERN		100,00,00,000	0
9	25/11/2014	BEING AMOUNT TRANSFER TO FERN	250,00,00,000		250,00,00,000
9	28/11/2014	BEING AMOUNT RECD FROM FERN		250,00,00,000	0
11	16/09/2015	BEING FUND TRNASFER TO FERN	50,00,00,000		50,00,00,000
11	30/09/2015	BEING FUND RECD FROM FERN		50,00,00,000	0
12	26/11/2015	FUND TRANSFER TO FERN	100,00,00,000		100,00,00,000
12	30/12/2015	BEING FUND RECD FROM FERN		100,00,00,000	0
13	01/01/2016	FUND TRANSFER TO FERN T/W LOAN	100,00,00,000		100,00,00,000
13	15/03/2016	FUND TRANSFER TO FERN T/W LOAN	80,00,00,000		180,00,00,000
13	30/03/2016	FUND RECD FROM FERN T/W LOAN		130,00,00,000	50,00,00,000
13	31/03/2016	FUND RECD FROM FERN T/W LOAN		25,00,00,000	25,00,00,000
13	31/03/2016	FUND RECD FROM BEST HELATHCARE		25,00,00,000	0

Table 7 Extract of Ledger of Short term ICDs to Modland

	Date	Narration	Debit (INR)	Credit (INR)	Balance (INR)
5	21/11/2013	BEING AMOUNT TRASNFER TO MODLAND	100,00,00,000		288,00,00,000
5	21/11/2013	BEING AMOUNT RECD FROM MODLAND		100,00,00,000	188,00,00,000
7	05/08/2014	BEING AMOUNT TRANSFER TO MODLAND	100,00,00,000		100,00,00,000
7	07/08/2014	BEING AMOUNT TRANSFER TO MODLAND	50,00,00,000		150,00,00,000
7	08/08/2014	BEING AMOUNT RECD FROM MODLAND		150,00,00,000	0
9	25/11/2014	BEING AMOUNT TRANSFER TO MODLAND	250,00,00,000		250,00,00,000
9	28/11/2014	BEING AMOUNT RECD FROM MODLAND		250,00,00,000	0
10	04/02/2015	MODLAND WARE PVT. LTD. T/W LOAN	50,00,00,000		50,00,00,000
10	31/03/2015	MODLAND WARE PVT. LTD. T/W LOAN		40,00,00,000	10,00,00,000
10	31/03/2015	MODLAND WARE PVT. LTD. T/W LOAN		10,00,00,000	0
	10/02/2016	FUND TRANSFER TO MOODLAND	125,00,00,000		125,00,00,000
	11/02/2016	FUND RECD FROM MODLAND		125,00,00,000	0

b. The bank statements of Best, Fern and Modland were analyzed to check the actual movement of funds that were provided by FHsL to Best, Fern and Modland by way of grant of loans/ICDs. The movement of funds from FHMNL/FHsL to Best, Fern and Modland and the corresponding repayment entries (as appearing in the bank statements) for each of the short term ICD by FHMNL/FHsL during December 2012 to March 2016 (attached as **Annexure-6**) were analysed and the following were observed:

- The short term loans were given by FHMNL / FHsL to Best, Fern and Modland at various instances during the period December 2012 to September 2015.
- Thereafter, the aforementioned funds were further transferred from Best, Fern, Modland to RHC on same date, through various entities.
- RHC Holding utilized the said funds (indirectly received from FHsL) for certain period ranging from 2 days to 34 days and thereafter, returned the funds to Best, Fern and Modland, through various entities, which were then ultimately transferred by Best, Fern and Modland to FHMNL / FHsL.
- The entities that were used to transfer the funds between RHC and Best, Fern, Modland were Saubhagya, Artifice, Best Cure, Ranchem, ANR, Ad Advertising and Rexcin.

In view of above, it is alleged that funds were repeatedly moved out of FHMNL / FHsL at different occasions for a short period of time, through borrower entities (Best, Fern and Modland) for the ultimate utilization by the promoter entity of FHL (i.e. RHC Holding). Instead of giving loans directly to the company (i.e. RHC Holding) owned by promoters of FHL (i.e. MMS and SMS), funds were routed by way of loans to the 3 borrower companies i.e. Best, Fern and Modland. The same were also allegedly not disclosed in the consolidated financial statements of FHL during the relevant Financial Years.

c. Apart from the aforementioned, there were other instances also during which the loans were given by FHsL to Best, Fern and Modland for ultimate benefit of connected entities of promoters of FHL (i.e. RHC Holding). However, in such instances repayment of such loans were initiated through another promoter related entity (i.e. Religare Finvest Limited), instead of RHC Holding (details as placed at **Annexure -6A**). A summary of such fund movements out from FHsL and received by FHsL during the period November 26, 2015 to April 04, 2016), is given in table below:

Table 8 Summary of funds movements

Date	Amount of funds moved out from FHsL (approx.)	Name of Ultimate Beneficiary of funds	Amount of funds received by FHsL as repayment (approx.)	Name of entity through whom repayment made
26/11/2015	Rs. 300 crore	RHC		
30/12/2015			Rs. 300 crore	RFL
01/01/2016	Rs. 200 crore	RFL		
05/01/2016	Rs. 100 crore	RFL		
29/01/2016	Rs. 100 crore	RFL		
15/03/2016	Rs. 80 crore	RHC		
15/03/2016			Rs. 80 crore	RHC
30/03/2016			Rs. 275 crore	RHC
31/03/2016			Rs. 25 crore	RHC
04/04/2016			Rs. 100 crore	FHsL

d. From the above table, it was observed that out of a total loan / ICD amount of Rs.780 crore (approx.) that FHsL had granted to Best and Fern during November 26, 2015 to March 31, 2016, RHC Holding was the beneficiary of Rs. 380 crore (approx.) while Rs. 400 crore (approx.) were observed to have been routed to RFL. Further, in terms of repayment of the aforementioned amounts, it was observed that RHC Holding initiated the repayment for Rs. 380 crore (approx.) while the repayment for Rs. 300 crore (approx.) was through RFL during the aforementioned period. As regards the remaining Rs.

100 crore (approx.), repayment for the same was initiated by FHsL itself by issuing an ICD to Modland on April 04, 2016.

e. It was observed that ICD dated April 04, 2016 from FHsL to Modland was returned to FHsL on the same date routing through various entities (including Best and Fern). Through such rotation of funds, it was portrayed that the ICD amount of Rs. 100 crore that FHsL had issued to Best on January 29, 2016, was repaid by Best on April 04, 2016. However, as mentioned above, it was seen that such repayment was arranged by FHsL itself by issuing another ICD of Rs. 100 crore to Modland on April 04, 2016. A reference of this ICD dated April 04, 2016 to Modland is also made at Para 10.3.3 – Instance 3 of this show cause notice.

f. Thus, considering the above pattern of fund transactions, it was observed that RHC Holding repaid the entire amount that it had indirectly received from FHsL during the period November 26, 2015 to March 31, 2016 whereas RFL repaid only Rs. 300 crore out of a total of Rs. 400 crore that it had received indirectly from FHsL during the aforementioned period. In this regard, from the analysis of ledger accounts and bank statements, it was observed that the said Rs. 100 crore (approx.) pertain to the amount (Rs. 100 crore) that was transferred by FHsL to Best on January 29, 2016(already discussed at **Annexure –6A**).

It was observed that RFL was a subsidiary company of Religare Enterprises Limited (another listed company) which was also under the ownership and control of Singh Brothers. Thus, it was examined whether the aforementioned Rs. 100 crore (that were routed from FHsL to RFL through various entities) were possibly further diverted to other promoter connected entities including RHC Holding.

With reference to the said Rs. 100 crore that were routed from FHsL to RFL through various entities on January 29, 2016 (as mentioned above), the bank account statements and the ledger accounts of last leg of entities from

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which the money was transferred to RFL (i.e. Best, Fern, Tiger ,Zolton), was analysed. From the analysis, it was observed that Rs. 100 crore that were transferred by these four entities to RFL on January 29, 2016 were repayment of principal amount / interest amount of earlier loans / ICDs that these four entities had taken from RFL on 30/12/2015, 28/10/2015,25/08/2015 & 13/07/2015 respectively. Further, on checking the bank account statements of these four entities for the period when they had taken such loans from RFL, it was observed that the amount of funds that they received from RFL were further diverted to RHC Holding through various entities. The detailed flow of the same are as follows: -

Fund movement of the loan taken by Best from RFL

30/12/2015	RFL 100,00,00,000	→	Best 100,00,00,000	→	Torus 100,00,00,000	→	ANR 100,00,00,000	→	RHC 196,10,00,000	

Fund movement of the loan taken by Fern from RFL

28/10/2015	RFL 80,00,00,000	→	Fern 80,00,00,000	→	Tiger 1,08,00,000	→			RFL 97,39,110	
					Saubhagya 78,40,00,000	→	ANR 74,37,50,000	→	RHC 74,40,00,000	

Fund movement of the loan taken by Tiger from RFL

25/08/2015	RFL 76,25,00,000	→	Tiger 76,25,00,000	→	Fern 66,25,00,000	→	Saubhagya	→	Modland	→	Torus	→	ANR	→	RHC 36,25,00,000

Fund movement of the loan taken by Zolton from RFL

13/07/2015	RFL 70,00,00,000	→	Zolton 70,00,00,000	→	Modland 70,00,00,000	→	Saubhagya 70,82,50,000	→	ANR 75,57,50,000	→	RHC 142,27,50,000

g. Thus, as analyzed above, during December 2012 to March 2016, FHMNL / FHsL gave numerous short term loans / ICDs to Best, Fern and Modland, which were further transferred to RHC Holding through a complex layer of various entities. RHC Holding utilized the money for certain days and thereafter, the funds were transferred back to FHsL by the aforementioned three entities wherein such repayment was arranged by RHC Holding only. Hence,

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instead of transferring funds directly to RHC Holding, FHsL managed to benefit its promoter company by transferring funds indirectly through various entities and

in the process, FHL and FHsL circumvented the provisions of related party transactions as applicable in the case of a listed company i.e, FHL.

h. Out of various instances during the period December 2012 to March 2016, there was one instance (i.e. on January 29, 2016), when Rs. 100 crore was moved out from FHsL (through Best), wherein the repayment of the said loan was through FHsL itself. The ultimate beneficiary of the said amount of Rs. 100 crore was RHC Holding. Hence, it is alleged that Rs. 100 crore were diverted from FHsL to RHC Holding which ultimately benefitted MMS and SMS, who jointly controlled RHC Holding through Malav Holding and Shivi Holding.

10.3.3 Diversion of Loans / ICDs – These pertain to transactions that led to diversion of the funds (funds which have moved out of FHL/FHsL but never repaid) from FHsL to promoter entities through Best, Fern and Modland:

It was observed that during December 2012 to December 2015, FHsL gave several short term loans / ICDs to Best, Fern and Modland for the ultimate benefit of RHC Holding and the repayment of such loans were regular during the aforementioned period. (the details whereof has already been provided at paragraph no. 10.3.2 above).

However, after December 2015, FHsL was observed to have granted certain loans / ICDs again to Best, Fern and Modland for which the repayment was not received, instances whereof are cited herein below:

The details of aforesaid funds are as follows:

i) Instance 1 – Funds Transfer from FHsL to Fern on April 04, 2016

Flow of funds from FHsL to RHC through Fern during April 2016

04/04/2016	FHsL 175,00,00,000	→	Fern 75,00,00,000	→	ANR 175,00,00,000	→	RHC 175,00,00,000
			Fern 100,00,00,000	→			

From the above, it was observed that FHsL gave a loan of Rs. 175 crore to Fern on April 04, 2016. Thereafter, Fern transferred Rs. 175 crore to ANR and ANR transferred the same amount to RHC Holding on the same day. It was also observed that after receiving Rs. 175 crore from ANR, RHC Holding transferred Rs. 200.40 crore to HDFC Ltd on April 04, 2016. From the bank account statement of RHC Holding and the reply received from HDFC, it was observed that RHC Holding utilized this Rs. 175 crore in payment of its loan of Rs. 200 crore that it had taken from HDFC. Further, from the ledger account of Fern in the books of FHsL, it was observed that FHsL received these Rs. 175 crore from Fern on June 30, 2016. However, on analysis of bank account statement of FHsL and Fern, it was observed that the aforementioned payment by Fern was not a genuine payment and it was merely a "book entry' in the form of circular flow of transactions between FHsL and Fern to show that money had been received back whereas FHsL hasn't received any actual money from Fern on that date. The details of the same are given at para no. 10.3.4.

ii) Instance 2 – Funds Transfer from FHsL to Modland on April 04, 2016

Flow of funds from FHsL to RHC through Modland during April 2016

04/04/2016	FHsL 100,00,00,000	→	Modland 100,00,00,000	→	Torus 100,00,00,000	→	Addon Realty 132,65,00,000	→	RFL 125,00,00,000

From the above, it was observed that on receiving the amount from Torus, Addon Realty transferred Rs. 125 crore to RFL on the same day. It was observed that the last leg from which RFL received the money was Addon Realty. The ledger account of Addon Realty in the books of RFL were analysed and based on submissions of RFL in this regard, it was observed that Addon Realty had transferred Rs. 125 crore to RFL as part of repayment of earlier loan of Rs. 156 crore taken from RFL. Thus, the utilization of loan taken by by Addon from RFL was also analyzed. The utilization of the said are as follows:

Flow of funds from Addon Realty after it received funds from RFL

27/03/2014	RFL 156,00,00,000	→	Addon Realty 156,00,00,000	→	Fern 93,09,80,322	→	Ligare Aviation 78,19,85,794	→	Oscar 78,19,52,137	→	Ranchem 112,50,00,000	→	RHC 225,00,00,000
						→					Ranchem 100,00,00,000		

From the above, it was observed that Addon Realty had transferred Rs. 93.09 crore to Fern which were subsequently transferred to RHC Holding through various entities (viz. Ligare Aviation, Oscar, Ranchem). All these fund transfers were observed to have happened on the same date i.e. March 27, 2014 and after receiving Rs. 225 crore from Ranchem, RHC Holding transferred Rs. 200 crore to RHC Holding Commercial Paper Account on March 27, 2014 from where the money was further transferred to IDBI Liquid Fund (Rs. 100 crore), Peerless Mutual Fund (Rs. 50 crore) and JM Financial Mutual Fund (Rs. 50 crore) on March 27, 2014, which was for RHC's own purpose and benefit. Further, as already mentioned Addon Realty had used the funds indirectly received from

FHsL (Rs. 100 crore) on April 04, 2016 to make the part repayment of the aforementioned loan amount that it had taken from RFL. Therefore, RHC Holding was observed to be the ultimate beneficiary of Rs. 93.09 crore (approx.) as money received by Addon Realty from RFL during March 27, 2014 were ultimately transferred to RHC Holding and Addon Realty had used the funds received by FHsL to make part repayment of this loan during April 04, 2016. Thus, it was observed that out of Rs. 100 crore that moved out from FHsL on April 04, 2016 (through Modland, Torus and Addon Realty, Rs. 93.09 crore (approx.) crore were diverted to RHC Holding.

iii) Instance 3 – Funds Transfer from FHsL to Modland on April 04, 2016

Flow of funds from FHsL to RHC through Modland during April 2016

04/04/2016	FHsL 100,00,00,000	→	Modland 100,00,00,000	→	Torus 100,00,00,000	→	Best 75,00,00,000	→ FHsL 75,00,00,000
						→	Fern 25,00,00,000	→ FHsL 25,00,00,000

From the above table, it was observed that the amount of Rs. 100 crores, was used to settle the earlier ICD amount that FHsL issued to Best & Fern on January 29, 2016. It was also noted in Para 10.3.2 that the ultimate beneficiary of the amount of Rs. 100 crore that went out from FHsL to Best on January 29, 2016, was RHC Holding. Hence, it is alleged that Rs. 100 crore were diverted from FHsL to RHC Holding.

iv) Instance 4 – Funds Transfer from FHsL to Best on May 20, 2016

Flow of funds from FHsL to RHC through Best during May 2016

20/05/2016	FHsL 98,00,00,000	→	Best 98,00,00,000	→	Torus 98,00,00,000	→	Ranchem 98,00,00,000	→ RHC 98,00,00,000

From the above table, it was observed that the said amount of Rs. 98 crores had been ultimately transferred to RHC Holding and RHC Holding had utilized this money for paying off Indiabulls Mutual Fund on the same day. Further, from the ledger account of Best in the books of FHsL, it was observed that FHsL received

these Rs. 98 crores from Fern on June 30, 2016. However, on analysis of bank account statement of FHsL and Best, it was observed that the aforementioned payment by Best was not a genuine payment and it was merely a circular flow of transactions between FHsL and Fern to show that money had been received back whereas FHsL hasn't received any actual money from Fern on that date. The details of the same are being given at para no 10.3.4. Thus, it was observed that Rs. 98 crore was diverted from FHsL to RHC Holding, which utilized such funds for its own purpose.

Overall Allegation relating to Diversion of funds from FHsL –

In view of above, it was observed that on several occasions till May 2016, funds were diverted from FHL through FHsL for the ultimate benefit of RHC Holding which include the following:

- Rs. 175 crore (Refer Instance 1 – Outflow of funds on April 04, 2016 from FHsL to Fern for which the ultimate beneficiary was RHC Holding).
- Rs. 93.09 crore (Refer Instance 2 – Outflow of funds on April 04, 2016 from FHsL to Modland for which the ultimate beneficiary was RHC Holding).
- Rs. 100 crore (Refer Instance 3 and Annexure-6A to Para 10.3.2 w.r.t Outflow of funds on January 29, 2016 from FHsL to Best for which the ultimate beneficiary was RHC Holding. The repayment of the said ICD dated January 29, 2016 was also arranged by FHsL by issuing another ICD of Rs. 100 crore to Modland on April 04, 2016.
- Rs. 98 crore (Refer Instance 4 – Outflow of funds on May 20, 2016 from FHsL to Best for which the ultimate beneficiary was RHC Holding).

From the above analysis, it was observed that funds to the tune of Rs. 466 crore (approx.) were routed from FHL through FHsL to RHC Holding for the ultimate

benefit of erstwhile promoters of FHL (i.e. MMS and SMS) as RHC was jointly owned by MMS and SMS. However, the complete and final allegations with respect to funds diverted from FHL through FHsL during the IP has been discussed and given at succeeding paragraph numbers 10.3.5 & 10.3.6.

10.3.4 **Financial Misrepresentation** – These include transactions executed between FHsL and Best, Fern, Modland that led to misrepresentation in the financial statements of FHsL:-

a. As discussed at paras 10.3.2 above, FHsL provided short term loans to Best, Fern and Modland for the ultimate benefit of RHC Holding from December 2012 to December 2015. It was also observed that during January 2016 to May 2016, funds were moved out of FHsL through Best, Fern and Modland which benefitted RHC Holding. This para deals with the analysis of fund movements between FHsL and the borrower companies (Best, Fern and Modland) after May 2016. On analysis of the ledger account statements of Best, Fern and Modland in the books of FHsL, it was observed that FHsL was granting loans to the aforementioned three companies during the 1st day of the quarter and these three companies were repaying the loan amount during the last day of the quarter. However, on observing the bank account statements of Best, Fern, Modland and FHsL, it was observed that that FHsL had entered into multiple structured transactions with these three companies for five quarters (i.e. from Q1 of FY 2016-17 to Q1 of FY 2017-18). The details of such transactions with each of the three entities are given below:

b. **Transactions with Best –**

As per ledger statement - Below mentioned is the extract of ledger account statement of Best in the books of FHsL for certain transactions during the period from April 2016 to June 2017:

Table 9: Extracts from Ledger account statement of Best in the books of FHsL

Date	Particulars	Amount (in Rs.)	Cumulative Balance (in Rs.)
01/04/2016	Opening Balance		-
25/05/2016	Being amount t/w loan to Best Healthcare Pvt. Ltd. Dt. 20.05.16	98,00,00,000	98,00,00,000
30/06/2016	Being fund recd from Best Healthcare Pvt. Ltd. T/W Loan Repayment & Interest Recd Dt 30.06.16	-98,00,00,000	-
01/07/2016	Fund paid to Best Healthcare Pvt. Ltd. T/W Loan Dt. 01.07.16	98,00,00,000	98,00,00,000
30/09/2016	Being chq. Recd from Best Healthcare t/w repayment of loan chq. No. 000004 & 000005	-98,00,00,000	-
01/10/2016	Fund transfer to Best Healthcare t/w loan dt. 01.10.16	98,00,00,000	98,00,00,000
30/12/2016	Being fund recd from Best Healthcare Pvt. Ltd. T/w principal & interest received from best from 30th nov 16 to 29th dec on Rs. 98 crores dt. 30.12.16	-98,00,00,000	-
02/01/2017	Fund transfer to Best Healthcare t/w loan dt. 02.01.17	98,00,00,000	98,00,00,000
31/03/2017	Fund recd from Best Healthcare Pvt. Ltd. T/w principal & interest received from best from 01st mar 17 to 30 mar17 on Rs. 98 crores	-98,00,00,000	-
03/04/2017	Loan paid to Best Healthcare Pvt. Ltd. Dt. 03.04.17	1,50,00,00,000	1,50,00,00,000
30/06/2017	Fund recd from Best Healthcare Pvt. Ltd. T/w principal & interest received from best from 03rd apr 17 to 30 jun17 on Rs. 150 crores	- 1,50,00,00,000	-
01/07/2017	Fund trf to Best Healthcare ltd. Dt. 01.07.17	1,55,07,00,000	1,55,07,00,000

From the above table, it is observed that FHsL provided funds to Best during the 1st day of the quarter and Best used to repay the same money to FHsL during the last day of the quarter. In order to further understand these movements of funds, the bank account statements of FHsL and Best were analysed.

As per Bank account statement - Below mentioned are some of the transactions appearing in the bank account statement of Best during quarter ending June 2016:

Table 10: Extracts from Bank account statement of Best maintained with Axis Bank

Bank Account statement of Best – Axis Bank Account				
Date	**Particulars**	**Debit Amount (in Rs.)**	**Credit Amount (in Rs.)**	**Balance (in Rs.)**
19/05/2016	Closing Balance as on 19/05/2016			2,16,01,573
20/05/2016	Received from Fortis Hospitals		98,00,00,000	
20/05/2016	Transferred to Torus	98,00,00,000		
20/05/2016	Closing balance as on 20/05/2016			62,74,176
29/06/2016	Closing Balance as on 29/06/2016			12,76,039
30/06/2016	Closing Balance as on 30/06/2016			3,39,71,710
01/07/2016	Received from Fortis Hospitals		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/07/2016	Received from Torus		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/07/2016	Received from Fortis Hospitals		50,00,00,000	
01/07/2016	Transferred to Torus	50,00,00,000		
01/07/2016	Closing balance as on 01/07/2016			3,14,71,652

From the above table, the following is observed:

i) On receiving the money to the tune of Rs. 98 crores from FHsL on 20/05/2016, Best transferred it instantly to Torus on same date. These transactions have been discussed at Para10.3.3 Instance no 4 wherein it was observed that these funds were ultimately diverted to RHC Holding.

ii) On 30/06/2016, Best did not have the required funds in its bank statement to pay Rs. 98 crores to FHsL as balance in the bank account statement of Best as on June 30, 2016 was Rs. 3.4 crores (approx.).

iii) The actual repayment of Rs. 98 crores from Best to FHsL took place on July 01, 2016 (i.e. after Best received Rs. 98 crores from FHsL {through Torus}).

In view of above, it was observed that Best utilized the funds received from FHsL on July 01, 2016 to pay of its outstanding dues of Rs. 98 crores to FHsL as on June 30, 2016. Further, FHsL didn't receive any funds from Best on June 30, 2016 whereas in its books of accounts, FHsL recorded the receipt of funds of Rs. 98 crores from Best on June 30, 2016 only. This led to artificially inflation of the bank balance in the books of account of FHsL for quarter ending June 30, 2016.

A similar pattern of fund flow was observed between FHsL and Best during subsequent quarters also, i.e. from quarter ending September 2016 to quarter ending June 2017. Below mentioned are some of the transactions appearing in the bank account statement of Best during the aforementioned quarters:

Table 11: Extracts from Bank account statement of Best maintained with HDFC Bank

Bank Account statement of Best – HDFC Bank Account				
Date	**Particulars**	**Debit Amount (in Rs.)**	**Credit Amount (in Rs.)**	**Balance (in Rs.)**
Quarter ending September 2016				
30/09/2016	Closing Balance as on 30/09/2016			10,069
01/10/2016	Received from Saubhagya Buildcon Pvt Ltd		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/10/2016	Received from Fortis Hospitals		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	48,00,00,000		
01/10/2016	Received from Fortis Hospitals		48,00,00,000	
01/10/2016	Transferred to Saubhagya Buildcon Pvt Ltd	50,00,00,000		
01/10/2016	Closing balance as on 01/10/2016			10,069
Quarter ending December 2016				
31/12/2016	Closing Balance as on 31/12/2016			11,26,102
02/01/2017	Received from ANR Securities Pvt Ltd		98,00,00,000	

02/01/2017	Transferred to Fortis Hospitals	98,00,00,000		
02/01/2017	Received from Fortis Hospitals		98,00,00,000	
02/01/2017	Transferred to ANR Securities Pvt Ltd	98,00,00,000		
02/01/2017	Closing balance as on 02/01/2017			11,26,073
Quarter ending March 2017				
31/03/2017	Closing Balance as on 31/03/2017			75,64,266
03/04/2017	Received from Fortis Hospitals		1,50,00,00,000	
03/04/2017	Transferred to Fortis Hospitals	98,00,00,000		
03/04/2017	Transferred to Fortis Hospitals	1,10,51,178		
03/04/2017	Transferred to Torus Buildcon Pvt Ltd* *(This amount was transferred from Torus to Modland and from Modland to Fortis on same date i.e. 03/04/2017)*	50,90,00,000		
03/04/2017	Closing balance as on 03/04/2017			75,13,088
Quarter ending June 2017				
30/06/2017	Closing Balance as on 30/06/2017			29,07,002
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		5,07,00,000	
01/07/2017	Transferred to Fortis Hospitals	5,06,93,425		
01/07/2017	Closing balance as on 01/07/2017			4,11,499

From the above table, the following was observed:

i) The amount available in the aforementioned bank account of Best during the last day of each quarter (i.e. from quarter ending September 2016 to quarter ending June 2017) was insignificant compared to the repayment amount that Best had to make to FHsL at the end of each quarter.

ii) Before making the repayment of loan / ICD to FHsL during the end of each quarter (i.e. from quarter ending September 2016 to quarter

ending June 2017), Best had received funds from either FHsL itself or through other entities (like Saubhagya Buildcon, ANR Securities & Torus Buildcon and repayment to such entities were made by Best on the same day itself through the funds received from FHsL).

In addition to above, it was observed that prior to quarter ending June 2017, repayment by Best to FHsL were made in 1 or 2 transactions, however, during the quarter ending June 2017, cheques worth Rs. 30 crores were rotated in the bank accounts of FHsL and Best five times on a single day i.e. on July 01, 2017. During this period, FHsL had shown receipt of funds to the tune of Rs. 150 crores from Best as on June 30, 2017 in the ledger account of Best and also shown transfer of funds to the tune of Rs. 155.07 crores to Best on July 01, 2017. In this regard, information was sought from HDFC Bank (where the bank accounts of Best and FHsL were maintained). Based on the information received from HDFC bank, the following was observed:

i) Best had issued five cheques of Rs. 30 crores each dated June 30, 2017 in the name of FHsL (The cheque numbers were 00107, 00109, 00110, 00111, 00112). On the date of issuing such cheques, the balance available in the bank account statement of Best was Rs. 29 lakhs (approx.) only.

ii) FHsL had issued five cheques of Rs. 30 crores each dated July 01, 2017 in the name of Best (The cheque numbers were 05832, 05833, 05834, 05835, 05836).

iii) The bank account statement of Best and FHsL were maintained with the same bank i.e. HDFC bank, whereas, the branches were different

(Bank account of Best was maintained with KG Marg, New Delhi Branch and the Bank account to FHsL was maintained with Bankhouse Gurgaon Branch). However, the aforementioned cheques of both Best and FHsL were deposited with Bankhouse Gurgaon Branch on the same date i.e. on July 01, 2017.

c. **Transactions with Fern –**

As per ledger statement - Below mentioned is the extract of ledger account statement of Fern in the books of FHsL for certain transactions during the period from April 2016 to June 2017:

Table 12: Extracts from Ledger account statement of Fern in the books of FHsL

Date	Particulars	Amount (In Rs.)	Cumulative Balance (In Rs.)
01/04/2016	Opening Balance		-
04/04/2016	Fund Transfer To Fern Healthcare T/W Loan Dt. 04.04.16	75,00,00,000	75,00,00,000
04/04/2016	Fund Transfer To Fern Healthcare T/W Loan Dt. 04.04.16	1,00,00,00,000	1,75,00,00,000
30/06/2016	Being Amount Of Interest Income Booked On Fern Healthcare	1,75,00,00,000	-
01/07/2016	Fund Paid To Fern Healthcare Pvt. Ltd. T/W Loan Dt. 01.07.16	1,75,00,00,000	1,75,00,00,000
30/09/2016	Being Chq. Recdfrom Fern Healthcare T/W Repayemntof Loan Chq. No. 005028 005029 005030 & 005031	1,75,00,00,000	-
01/10/2016	Fund Transfer To Fern Healthcaer T/W Loan Dt. 01.10.16	1,75,00,00,000	1,75,00,00,000
30/12/2016	Fund Refd From Fern Healthcare T/W Principal & Interest Received From Fern From 30th Nov 16 To 29th Dec On Rs 175 Crores Dt. 30.12.16	1,75,00,00,000	-
02/01/2017	Fund Transfer To Fern Healthcare T/W Loan Dt. 02.01.17	1,75,00,00,000	1,75,00,00,000

31/03/2017	Fund Recd From Fern Healthcare T/W Principal & Interest Received From Fern From 01st Mar 17 To 30 Mar17 On Rs 175 Crores	1,75,00,00,000	-
03/04/2017	Loan Paid To Fern Healthcare Pvt. Ltd. Dt. 03.04.17	1,78,00,00,000	1,78,00,00,000
30/06/2017	Fund Recd From Fern Healthcare T/W Principal & Interest Received From Fern From 03rd Apr 17 To 30 Jun 17 On Rs 178 Crores	1,75,00,00,000	-
01/07/2017	Fund Trf To Fern Helathcare Ltd. Dt. 01.07.17	1,84,00,00,000	1,84,00,00,000

From the above table, it is observed that FHsL provided funds to Fern during the 1st day of the quarter and Fern use to repay the same money to FHsL during the last day of the quarter. In order to further understand these movements of funds, the bank account statements of FHsL and Fern were analysed.

As per Bank account statement - Below mentioned are some of the transactions appearing in the bank account statement of Fern during quarter ending June 2016 to quarter ending June 2017:

Table 13: Extracts from Bank account statement of Fern maintained with Axis Bank & HDFC Bank

Bank Account statement of Fern – Axis Bank Account				
Date	**Particulars**	**Debit Amount (in Rs.)**	**Credit Amount (in Rs.)**	**Balance (in Rs.)**
03/04/2016	Closing Balance as on April 03, 2016			5,66,276
04/04/2016	Received from Fortis Hospitals		75,00,00,000	
04/04/2016	Received from Fortis Hospitals		1,00,00,00,000	
04/04/2016	Transferred to ANR Securities Pvt Ltd.	1,75,00,00,000		
04/04/2016	Closing balance as on 04/04/2016			5,41,276
30/06/2016	Closing Balance as on June 30, 2016			15,52,313
01/07/2016	Received from Torus BuildconPvt Ltd		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals Ltd	50,00,00,000		

01/07/2016	Received from Fortis Hospitals Ltd		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals Ltd	50,00,00,000		
01/07/2016	Received from Fortis Hospitals Ltd		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals Ltd	50,00,00,000		
01/07/2016	Received from Fortis Hospitals Ltd		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals Ltd	25,00,00,000		
01/07/2016	Received from Fortis Hospitals Ltd		25,00,00,000	
01/07/2016	Transferred to Torus BuildconPvt Ltd	50,00,00,000		
01/07/2016	Closing balance as on 04/04/2016			15,42,163
Bank Account statement of Fern – HDFC Bank Account				
Quarter ending September 2016				
30/09/2016	Closing Balance as on 30/09/2016			81,975
01/10/2016	Received from SaubhagyaBuildconPvt Ltd		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/10/2016	Received from Fortis Hospitals		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/10/2016	Received from Fortis Hospitals		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/10/2016	Received from Fortis Hospitals		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	25,00,00,000		
01/10/2016	Received from Fortis Hospitals		25,00,00,000	
01/10/2016	Transferred to SaubhagyaBuildconPvt Ltd	50,00,00,000		
01/10/2016	Closing balance as on 01/10/2016			81,975
Quarter ending December 2016				
31/12/2016	Closing Balance as on 31/12/2016			1,84,984
02/01/2017	Received from ANR Securities Pvt Ltd		1,50,00,00,000	
02/01/2017	Transferred to Fortis Hospitals	1,50,00,00,000		
02/01/2017	Received from Fortis Hospitals		1,50,00,00,000	
02/01/2017	Transferred to Fortis Hospitals	25,00,00,000		
02/01/2017	Received from Fortis Hospitals		25,00,00,000	
02/01/2017	Transferred to ANR Securities Pvt Ltd	1,50,00,00,000		
02/01/2017	Closing balance as on 02/01/2017			1,84,984
Quarter ending March 2017				
31/03/2017	Closing Balance as on 31/03/2017			11,56,934
03/04/2017	Received from Fortis Hospitals		1,78,00,00,000	
03/04/2017	Transferred to Fortis Hospitals	1,75,00,00,000		
03/04/2017	Transferred to Fortis Hospitals	1,97,34,247		
03/04/2017	Transferred to ANR Securities Pvt Ltd	1,03,00,000		
03/04/2017	Closing balance as on 03/04/2017			11,22,687

Quarter ending June 2017				
30/06/2017	Closing Balance as on 30/06/2017			1,18,763
01/072017	Received from Saubhagya Buildcon		2,00,000	
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		4,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	4,01,56,197		
01/07/2017	Closing balance as on 01/07/2017			1,62,566

From the above table, the following was observed:

i) The amount available in the aforementioned bank accounts of Fern during the last day of each quarter (i.e. from quarter ending June 2016 to quarter ending June 2017) was insignificant compared to the repayment amount that Fern had to make to FHsL at the end of each quarter.

ii) Before making the payment of loan / ICD to FHsL during the end of each quarter (i.e. from quarter ending September 2016 to quarter ending June 2017), Fern had received funds from either FHsL itself or through other entities (like Saubhagya Buildcon, ANR Securities & Torus Buildcon and repayment to such entities were made by Fern on the same day itself through the funds received from FHsL).

d. **Transactions with Modland –**

As per ledger statement - Below mentioned is the extract of ledger account statement of Fern in the books of FHsL for certain transactions during the period from April 2016 to June 2017:

Table 14: Extracts from Ledger account statement of Modland in the books of FHsL

Date	Particulars	Amount (in Rs.)	Cumulative Balance (in Rs.)
01/04/2016	Opening Balance		-
04/04/2016	Fund Transfer To Modland Wears T/W Loan Dt. 04.04.16	1,00,00,00,000	1,00,00,00,000
04/04/2016	Fund Transfer To Modland T/W Loan	1,00,00,00,000	2,00,00,00,000
30/06/2016	Fund Refd From Modland Healthcare T/W Loan Repayment & Interest Recd Dt.30.06.16	2,00,00,00,000	-
01/07/2016	Fund Paid To Modland Helath Care T/W Loan Dt. 01.07.16	2,00,00,00,000	2,00,00,00,000
30/09/2016	Being Chq. Recd from Modland Healthcare T/W Repayemnt of Loan Chq. No. 000007 000008 000009 & 000010	2,00,00,00,000	-
01/10/2016	Fund Transfer To Modland Healthcare T/W Loan Dt. 01.10.16	2,00,00,00,000	2,00,00,00,000
30/12/2016	Fund Refd From Modland Healthcare T/W Principal & Interest Received From Modland From 30th Nov 16 To 29th Dec On Rs 200 Crores Dt. 30.12.16	2,00,00,00,000	-
02/01/2017	Fund Transfer To Modland Healthcare T/W Loan Dt. 02.01.17	2,00,00,00,000	2,00,00,00,000
31/03/2017	FUND RECD FROM MODLAND HEALTHCARE T/W PRINCIPAL &INTEREST RECEIVED FROM MODLAND FROM 01st Mar 17 TO 30 Mar17 ON RS 200 CRORES	2,00,00,00,000	-
03/04/2017	Loan Paid To Modland Wears Pvt. Ltd. Dt. 03.04.17	1,50,00,00,000	1,50,00,00,000
30/06/2017	FUND RECD FROM MODLAND HEALTHCARE T/W PRINCIPAL &INTEREST RECEIVED FROM MODLAND FROM 03rd Apr17 TO 30 Jun 17 ON RS 150 CRORES	1,50,00,00,000	-

Date	Particulars	Amount (in Rs.)	Cumulative Balance (in Rs.)
01/07/2017	Fund Trf To Modland Dt. 01.07.17	1,55,07,00,000	1,55,07,00,000

From the above table, it is observed that FHsL provided funds to Modland during the 1st day of the quarter and Modland use to repay the same money to FHsL during the last day of the quarter. In order to further understand these movements of funds, the bank account statements of FHsL and Modland were analysed.

As per Bank account statement - Below mentioned are some of the transactions appearing in the bank account statement of Modland during quarter ending June 2016 to quarter ending June 2017:

Table 15: Extracts from Bank account statement of Modland maintained with Axis Bank & HDFC Bank

Bank Account statement of Modland – Axis Bank Account				
Quarter ending June 2016				
Date	**Particulars**	**Debit Amount (in Rs.)**	**Credit Amount (in Rs.)**	**Balance (in Rs.)**
03/04/2016	Closing Balance as on April 03, 2016			3,36,50,316
04/04/2016	Received from Fortis Hospitals		1,00,00,00,000	
04/04/2016	Transferred to Torus BuildconPvt Ltd	1,00,00,00,000		
04/04/2016	Received from Fortis Hospitals		1,00,00,00,000	
04/04/2016	Transferred to Torus BuildconPvt Ltd	1,00,00,00,000		
04/04/2016	Closing balance as on 04/04/2016			1,73,28,190
30/06/2016	Closing Balance as on June 30, 2016			9,78,771
01/07/2016	Received from RanchemPvt Ltd		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals Ltd	50,00,00,000		
01/07/2016	Received from Fortis Hospitals Ltd		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals Ltd	50,00,00,000		
01/07/2016	Received from Fortis Hospitals Ltd		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals Ltd	50,00,00,000		
01/07/2016	Received from Fortis Hospitals Ltd		50,00,00,000	
01/07/2016	Transferred to Fortis Hospitals Ltd	50,00,00,000		
01/07/2016	Received from Fortis Hospitals Ltd		50,00,00,000	
01/07/2016	Transferred to Torus BuildconPvt Ltd	50,00,00,000		
01/07/2016	Received from Torus BuildconPvt Ltd		50,00,00,000	

01/07/2016	Transferred to RanchemPvt Ltd	50,00,00,000		
01/07/2016	Closing balance as on 04/04/2016			9,78,771
Bank Account statement of Fern – HDFC Bank Account				
Quarter ending September 2016				
30/09/2016	Closing Balance as on 30/09/2016			2,36,330
01/10/2016	Received from SaubhagyaBuildconPvt Ltd		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/10/2016	Received from Fortis Hospitals		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/10/2016	Received from Fortis Hospitals		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/10/2016	Received from Fortis Hospitals		50,00,00,000	
01/10/2016	Transferred to Fortis Hospitals	50,00,00,000		
01/10/2016	Received from Fortis Hospitals		50,00,00,000	
01/10/2016	Transferred to SaubhagyaBuildconPvt Ltd	50,00,00,000		
01/10/2016	Closing balance as on 01/10/2016			2,36,330
Quarter ending December 2016				
31/12/2016	Closing Balance as on 31/12/2016			2,01,470
02/01/2017	Received from ANR Securities Pvt Ltd		1,50,00,00,000	
02/01/2017	Transferred to Fortis Hospitals	1,50,00,00,000		
02/01/2017	Received from Fortis Hospitals		1,50,00,00,000	
02/01/2017	Transferred to Fortis Hospitals	50,00,00,000		
02/01/2017	Received from Fortis Hospitals		50,00,00,000	
02/01/2017	Transferred to ANR Securities Pvt Ltd	1,50,00,00,000		
02/01/2017	Closing balance as on 02/01/2017			2,01,470
Quarter ending March 2017				
31/03/2017	Closing Balance as on 31/03/2017			13,97,840
03/04/2017	Received from RHC Holding Pvt Ltd		1,99,00,00,000	
03/04/2017	Transferred to Torus Buildcon	3,35,00,000		
03/04/2017	Received from ANR Securities Pvt Ltd		3,30,00,000	
03/04/2017	Received from Torus Buildcon		3,35,00,000	
03/04/2017	Transferred to Fortis Hospitals	2,00,00,00,000		
03/04/2017	Transferred to Fortis Hospitals	2,25,53,425		
03/04/2017	Received from Fortis Hospitals		1,50,00,00,000	
03/04/2017	Received from Torus Buildcon		50,90,00,000	
03/04/2017	Transferred to ANR Securities Pvt Ltd	1,90,00,000		
03/04/2017	Transferred to RHC Holding Pvt Ltd	1,99,00,00,000		
03/04/2017	Closing balance as on 03/04/2017			18,44,415

Quarter ending June 2017				
30/06/2017	Closing Balance as on 30/06/2017			99,723
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		30,00,00,000	
01/07/2017	Transferred to Fortis Hospitals	30,00,00,000		
01/07/2017	Received from Fortis Hospitals		5,07,00,000	
01/07/2017	Transferred to Fortis Hospitals	5,06,93,425		
01/07/2017	Closing balance as on 01/07/2017			1,06,298

From the above table, the following was observed:

i) The amount available in the aforementioned bank accounts of Modland during the last day of each quarter (i.e. from quarter ending June 2016 to quarter ending June 2017) was insignificant compared to the repayment amount that Modland had to make to FHsL at the end of each quarter.

ii) Before making the repayment of loan / ICD to FHsL during the end of each quarter (i.e. from quarter ending June 2016 to quarter ending June 2017), Modland had received funds from either FHsL itself or through other entities (like Saubhagya Buildcon Pvt Ltd, ANR Securities Pvt Ltd, Ranchem Pvt Ltd, RHC Holding & Torus Buildcon and repayment to such entities were made by Modland on the same day itself through the funds received from FHsL).

e. In view of observations made at paras 10.3.4 (b to d) above, it was observed that Best / Fern / Modland did not make any actual repayment of loans / ICDs to FHsL during the aforementioned 5 quarters i.e. from quarter ending June

2016 to quarter ending June 2017as the repayments were made by these companies using the funds received from FHsL only. Thus, FHsL did not receive the repayment of ICDs that was given to Best, Fern and Modland during April / May 2016, details of which are summarised as under:

Table 16: Details of ICDs given by FHsL to 3 borrower companies during FY 2016-17

Date	Entity to which ICD was given	Amount
04/04/2016	Modland Wears Private Limited	2,00,00,00,000
04/04/2016	Fern Healthcare Private Limited	1,75,00,00,000
25/05/2016	Best Healthcare Private Limited	98,00,00,000

With respect to the above ICDs, it was further observed as under:

i) Through these transactions, the position of funds lying in the bank account of FHsL during the period between the end of quarter ending June 2016 to quarter ending June 2017, were artificially inflated as FHsL had recorded receipt of funds in the ledger accounts of Best / Fern / Modland on the last day of each quarter whereas FHsL actually didn't receive any funds from Best / Fern / Modland on the last day of the aforementioned quarters.

ii) These synchronized transactions also aided FHsL in masking the fact that the short term loans / ICDs given to Best / Fern / Modland were not performing.

iii) Through the aforementioned transactions, the position of funds lying in the bank accounts of FHsL at the end of each of the aforementioned 5 quarters had been artificially inflated by Rs. 473 crores

iv) Since the 3 companies were not able to pay the aforementioned amount of ICDs, these should have been shown as bad debts in the books of

accounts of FHsL for the aforementioned 5 quarters. This would have reduced the net profit of FHsL for the 5 quarters. Hence, the profits of the company were inflated by FHsL for the aforementioned 5 quarters by an amount of Rs. 473 crore.

v) Although FHsL had not actually received any repayment of funds from the said 3 companies during quarter ended June 2016 to quarter ended June 2017, in its books of accounts FHsL had recorded that funds had been received from the aforementioned 3 entities during the end of each quarter from quarter ending June 2016 to June 2017. Thus, the rotational bank transactions through synchronized clearance of cheques were used to misrepresent the actual consolidated financial position by FHL and the three borrower companies and to manipulate the FHsL's books of accounts and for the aforesaid period.

vi) The structured rotation of funds and the rollover of loans were used by FHsL to hide the real financial position of FHsL and the financial statements of FHsL for quarter ending June 2016 to quarter ending June 2017 were thus misrepresented. Consequently, did not provide a true and fair view of the consolidated financials of FHL to the shareholders of the said listed company.

Considering the above, it is alleged that the structured movement of funds resulted in artificial inflation of the bank balance and net profit of FHsL and non-disclosure of material information as well as misrepresentation in the financial statements of FHsL for the period from quarter ending June 2016 to quarter ending June 2017. The same further resulted in non-disclosure of material information and misrepresentation in the consolidated books of accounts of FHL for the aforesaid period.

10.3.5 Further Diversion / Repayment during 2017-18 (subsequent to Financial Misrepresentation) –

As discussed at para no10.3.1 to 10.3.3 above, numerous fund transactions were observed between FHsL, the borrower companies (Best, Fern and Modland) and various other entities during the IP. All such transactions took place during the period from FY 2011-12 to FY 2015-16 and were categorised into initial loan transactions, subsequent short term loans / ICDs and diversion of funds. Thereafter, during June 2016 to June 2017, certain other transactions were observed that have been classified as financial misrepresentations and are mentioned at Para 10.3.4 above. Apart from the above, from the ledger accounts of the borrower companies in the books of FHsL, certain other transactions were observed during FY 2017-18 through which the amounts due to borrower companies changed. The details of such transactions and their impact on the net diverted amount has been discussed in this paragraph. However, before explaining the details of such transactions (that took place during FY 2017-18), a summary of the amount observed to be diverted from FHsL to RHC Holding through 3 borrower companies (as mentioned at paras10.3.2 and 10.3.3) is reproduced below.

Table 17: Summary of amount diverted from FHsL (based on the findings mentioned at Para 10.3.2 and 10.3.3

Sl. No.	Date of ICD	Details of the borrower company through which the funds were diverted		Details of the Ultimate Beneficiary		Para Reference in which such transactions are explained
		Borrower Company	ICD Amount (in Rs.)	Ultimate Beneficiary	Amount (in Rs.)	
1	04/04/2016	Fern	175 crore	RHC	175 crore	Para 10.3.3 - Instance 1

2	04/04/2016	Modland	100 crore	RHC	93.09 crore	Para 10.3.3- Instance 2
3	04/04/2016	Modland	100 crore	RHC	100 crore	Para 10.3.3 - Instance 3 and Para 10.3.2 Instance 13.
4	20/05/2016	Best	98 crore	RHC	98 crore	Para 10.3.3 - Instance 4
TOTAL					**466.09 crore**	

From the above, it was observed that funds to the tune of Rs. 466 crore (approx.) were diverted from FHsL (through Best, Fern and Modland) for the ultimate benefit of RHC Holding during the period from January 2016 to May 2016. Thereafter, during June 2016 to June 2017, circular movements of funds were observed between bank accounts of Best, Fern and Modland through which FHsL could portray that the 3 borrower companies were regularly repaying the ICD amount. However, actually no money was received by FHsL from these 3 borrower companies during the aforementioned period. A detailed analysis of the same is provided at Para 10.3.4.

Further, it was observed that the amount of funds rotated during June 2016 to March 2017 were different from that rotated during April 2017 to March 2018. To understand the same, a summary of ledger account of the 3 borrower companies in the books of FHsL during FY 2016-17 to FY 2017-18 along with the analysis on the transactions during such period is mentioned below:

Transactions with Best and Modland – An extract of ledger account of Best and Modland in the books of FHsL for FY 2016-17 and FY 2017-18 is given in table below:

Table 18: Extract of Ledger Account of Best in books of FHsL

S. No.	Date	Narration	Debit (INR)	Credit (INR)	Balance (INR)
1	25/05/2016	Being Amount T/W Loan To Best	98,00,00,000		98,00,00,000
2	30/06/2016	Being Fund Recd From Best		98,00,00,000	0

S. No.	Date	Narration	Debit (INR)	Credit (INR)	Balance (INR)
3	01/07/2016	Fund Paid To Best	98,00,00,000		98,00,00,000
4	30/09/2016	Being Chq. Recd From Best Healthcare		98,00,00,000	0
5	01/10/2016	Fund Transfer To Best	98,00,00,000		98,00,00,000
6	30/12/2016	Being Fund Recd From Best		98,00,00,000	0
7	02/01/2017	Fund Transfer To Best	98,00,00,000		98,00,00,000
8	31/03/2017	Fund Recd From Best		98,00,00,000	0
9	03/04/2017	Loan Paid To Best	150,00,00,000		150,00,00,000
10	30/06/2017	Fund Recd From Best		150,00,00,000	0
11	01/07/2017	Fund Trf To Best Healthcare	155,07,00,000		155,07,00,000
	Closing Balance as on February 28, 2018				**155,07,00,000**

Table 19: Extract of Ledger Account of Modland in books of FHsL

S. No.	Date	Narration	Debit (INR)	Credit (INR)	Balance (INR)
1	04/04/2016	Fund Transfer To Modland	100,00,00,000		100,00,00,000
2	04/04/2016	Fund Transfer To Modland	100,00,00,000		200,00,00,000
3	30/06/2016	Fund Refd From Modland		200,00,00,000	0
4	01/07/2016	Fund Paid To Modland	200,00,00,000		200,00,00,000
5	30/09/2016	Being Chq. Recd From Modland		200,00,00,000	0
6	01/10/2016	Fund Transfer To Modland	200,00,00,000		200,00,00,000
7	30/12/2016	Fund Refd From Modland		200,00,00,000	0
8	02/01/2017	Fund Transfer To Modland	200,00,00,000		200,00,00,000
9	31/03/2017	Fund Recd From Modland		200,00,00,000	0
10	03/04/2017	Loan Paid To Modland	150,00,00,000		150,00,00,000
11	30/06/2017	Fund Recd From Modland		150,00,00,000	0
12	01/07/2017	Fund Trf To Modland	155,07,00,000		155,07,00,000
13	28/07/2017	Fund Recd From Modland		21,71,00,000	133,36,00,000
	Closing Balance as on February 28, 2018				**133,36,00,000**

In the above tables, the analysis of transactions mentioned at Sl. No. 1 to 8 (in Table 19) and Sl. No. 1 to 9 (in Table 20) has been already provided at Para 10.3.4 of this show cause notice.

From Table 19, it was observed that during May 2016 to March 2017, an amount of Rs. 98 crore was rotated multiple times between Best and FHsL. However, during April 2017, the ICD amount to Best was increased from Rs. 98 crore to Rs. 150 crore. Similarly, from Table 20, it was observed that during May 2016 to March 2017, an amount of Rs. 200 crore was rotated multiple times between

Best and Modland. However, during April 2017, the ICD amount to Modland was reduced from Rs. 200 crore to Rs. 150 crore.

In this regard, the bank account statements of Best, Modland and FHsL were analysed. Below mentioned is the flow of funds observed on April 03, 2017:

Flow of funds relating to ICD dated April 03, 2017 that FHsL issued to Best

03/04/2017	FHsL 150,00,00,000	→	Best 150,00,00,000	→	FHsL 98,00,00,000					
				→	Torus 50,90,00,000	→	Modland 50,90,00,000	→	FHsL 200,00,00,000	

It was observed that FHsL transferred Rs. 150 crore to Best on April 02, 2017. Out of this Rs. 150 crore, Best had transferred Rs. 99 crore (approx.) back to FHsL portraying that it had paid off its earlier ICD amount of Rs. 98 crore along with interest. The remaining Rs. 50.90 crore (approx.) was transferred by Best to Modland (through Torus). In addition to these Rs. 50.90 crore (approx.) that Modland received from Torus, Modland also received Rs. 150 crore from FHsL on April 03, 2017 (This Rs. 150 crore is shown at Sl. No. 10 in Table 20. FHsL has shown this Rs. 150 crore as a fresh ICD to Modland). On the same date (i.e. April 03, 2017), after receiving Rs. 200.90 crore (approx.) (Rs. 150 crore from FHsL and Rs. 50.90 crore from Torus), Modland had transferred Rs. 200 crore to FHsL on the same date (FHsL has shown this receipt of Rs. 200 crore from Modland as repayment of earlier ICD which it had given to Modland. This transaction is shown at SL. No. 9 in Table20).

From the above, the following was observed:

- In the books of FHsL, ICD amount of Best was increased from Rs. 98 crore to Rs. 150 crore.

- In the books of FHsL, ICD amount of Modland was decreased from Rs. 200 crore to Rs. 150 crore.

Hence, it is alleged that the net impact of the aforementioned transactions (with Best and Modland) that happened during April 2017, remained nil for FHsL as the outstanding amount to the extent of Rs. 50 crore was transferred from Modland to Best (which was a mere book entry). It was also observed that during FY 2016-17 and FY 2017-18 when the circular movement of funds took place between the 3 borrower companies and FHsL, the repayment for the principal amount as well as the interest amount (that the borrower companies had paid back to FHsL) was arranged by FHsL only. Hence, the transactions for the interest amount have not been shown separately.

Transactions with Fern – An extract of ledger account of Fern in the books of FHsL for FY 2016-17 and FY 2017-18 is given in table below:

Table 20: Extract of Ledger Account of Fern in books of FHsL

S. No.	Date	Narration	Debit (INR)	Credit (INR)	Balance (INR)
1	04/04/2016	Fund Transfer To Fern	75,00,00,000		75,00,00,000
2	04/04/2016	Fund Transfer To Fern	100,00,00,000		175,00,00,000
3	30/06/2016	Being Amount Of Interest Income Booked On Fern Healthcare		175,00,00,000	0
4	01/07/2016	Fund Paid To Fern Healthcare	175,00,00,000		175,00,00,000
5	30/09/2016	Being Chq. Recd From Fern		175,00,00,000	0
6	01/10/2016	Fund Transfer To Fern	175,00,00,000		175,00,00,000
7	30/12/2016	Fund Refd From Fern		175,00,00,000	0
8	02/01/2017	Fund Transfer To Fern	175,00,00,000		175,00,00,000
9	31/03/2017	Fund Recd From Fern		175,00,00,000	0
10	03/04/2017	Loan Paid To Fern	178,00,00,000		178,00,00,000
11	30/06/2017	Fund Recd From Fern		178,00,00,000	0
12	01/07/2017	Fund Trf To Fern	184,00,00,000		184,00,00,000
13	21/02/2018	Fund Recd From Fern		70,00,00,000	114,00,00,000

S. No.	Date	Narration	Debit (INR)	Credit (INR)	Balance (INR)
	Closing Balance as on February 28, 2018				**114,00,00,000**

In the above tables, the analysis of transactions mentioned at S. No. 1 to 9 (in Table 21) has been already provided at Para 10.3.4.

From Table 21 above, it was observed that during April 2016 to March 2017, Rs. 175 crore was rotated multiple times between Fern and FHsL. However, during April 2017, the ICD amount to Fern was increased from Rs. 175crore to Rs. 178 crore. Thereafter, the ICD amount to Fern was further increased from Rs. 178 crore to Rs. 184 crore during July 2017. On analysing the bank account statements of Fern and FHsL during quarter ending April 2017 and June 2017, the following was observed:

Flow of funds relating to ICDs dated April 03, 2017 and July 01, 2017 that FHsL issued to Fern

03/04/2017	FHsL 178,00,00,000	→	Fern 178,00,00,000	→	FHsL 176,97,34,247		
				→	ANR 1,03,00,000	→	RHC 2,93,00,000

01/07/2017	FHsL 184,00,00,000	→	Fern 184,00,00,000	→	FHsL 184,01,56,197	

From the above, it was observed that out of increased ICD amount of Rs. 9 crore (from Rs. 175 to Rs. 184 crore), Fern used Rs. 7.97 crore (approx.) to pay off the interest on such ICD to FHsL. Further, out of increased ICD amount of Rs. 3 crore (Rs. 175 crore to Rs. 178 crore) during April 03, 2017, a sum of Rs. 1.03 crore (approx.) was routed to RHC Holding.

Apart from aforementioned transactions during FY 2017-18, one more transaction was observed between FHsL and Fern in which FHsL received a sum of Rs. 70 crore from Fern on February 07, 2018 (as repayment of ICD). The same was recorded by FHsL in the ledger of Fern on February 21, 2018.

Thus, total diverted amount from FHsL (through Fern) to RHC Holding, after adjusting for aforementioned transactions that took place during FY 2017-18 was as follows:

Table 21: Summary of amount diverted from FHsL through Fern

Particulars	**Amount (in Rs. Crore)**
Diverted amount during April 04, 2016 (Refer Para 10.3.2 – Instance 1)	175
Add – Further diversion during April 03, 2017 (mentioned above in this para)	1.03
Less – Repayment made during February 07, 2018 - (mentioned above in this para)	70
= Net Diverted amount from FHsL to RHC (through Fern) (as on February 28, 2018)	106.03

From the above, it is alleged that the balance of funds that were diverted from FHsL to RHC Holding (through Fern) as on February 28, 2018, was Rs. 106.03 crore (approx.).

10.3.6 Summary of Diverted amount –Based on the observations made at Paras 10.3.2 and 10.3.3 above, a summary of funds diverted from FHsL to RHC Holding was indicated at Table 18 at Para 10.3.5 above. However, considering the observations made thereafter under Para10.3.5 (relating to certain transactions that happened during FY 2017-18), the details of funds that were diverted from FHsL to RHC Holding, through the 3 borrower companies as on February 28, 2018, is shown in the table below:

Table 22: Revised Summary of amount diverted from FHsL (based on the findings mentioned at Para 10)

S. No.	Date of ICD	Details of the borrower company through which the funds were diverted		Diverted to		Para Reference in which such transactions are explained
		Borrower Company	ICD Amount (in Rs.)	Diverted to	Amount (in Rs.)	
1	04/04/2016	Fern	175 crore	RHC	106.03 crore	Para 10.3.3 - Instance 1
2	04/04/2016	Modland	100 crore	RHC	93.09 crore	Para 10.3.3 - Instance 2
3	04/04/2016	Modland	100 crore	RHC	100 crore	Para 10.3.3 - Instance 3 and
4	20/05/2016	Best	98 crore	RHC	98 crore	Para 10.3.3 - Instance 4
TOTAL					**397.12 crore**	

From the above and after considering the submissions of various entities made during the process of investigation, it was observed that funds to the tune of Rs. 397.12 Crore (approx.) were diverted from FHsL for the benefit of RHC Holding (through Best, Fern and Modland) and ultimately for MMS and SMS. In this regard, the aforementioned Rs. 397.12 crore (approx.) was only the principal amount excluding any interest component.

Apart from the pattern of fund movement through layers of various entities, it was also observed that borrower entities (Best, Fern and Modland), intermediate conduit entities (through which the funds were transferred) and the beneficiaries (RHC Holding) were all connected to each other and to the promoters of FHL / FHsL. The details and basis of such inter-connections amongst Noticees are placed at **Annexure-7.**

10.3.7 Overall Allegation with respect to the analysis made at Paras 10.3.1 to 10.3.6

a. **Initial loans by FHL** - A land was first acquired indirectly by FHL through its subsidiary EHIRCL and another entity (Lowe) in May 2011, which was transferred in December 2011 to RHC Holding without any consideration. Only a structured rotation of 200 Crores was carried out three times to give a false picture that the initial payments by FHL for the purchase of land have been received with interest. The money received by FHL was immediately transferred back to RHC through the three Borrower Companies. Thus, the actual payment for the purchase of land by RHC Holding was made by FHL and though RHC ultimately paid the consideration for land, it was after a period of more than 3 years. In other words, ICDs/loans that FHL provided to Best, Fern and Modland through FHsL had actually been utilized by RHC for a period of 3-4 years.

In this regard, considering the connection of the borrower entities and the promoter group as well as the pattern of funds clearly showing the ultimate beneficiary as RHC Holding Pvt Ltd, it is alleged that routing of funds by camouflaging through layers of transactions as has been demonstrated above was to circumvent the provisions of related party transactions.

b. **Subsequent short term ICDs -** During December 2012 to March 2016, FHsL had given numerous short term loans / ICDs to Best, Fern and Modland, which were ultimately benefitted RHC Holding. It is alleged that the routing of funds through short term ICDs during the aforesaid period December 2012 till March 2016 was to circumvent the provisions w.r.t related party transactions as mandated in the case of a listed company and thus material information was not disclosed in the consolidated financials of FHL.

c. **Misrepresentation of financial statements -**The consolidated financial statements of FHL for the period from quarter ending June 2016 to quarter ending June 2017 were misrepresented and material information was not disclosed in the said financial statements. The said financial statements did not give a true and fair view of the fianacial position of FHsL and FHL.

d. **Diversion of Funds -**The funds to the tune of Rs. 397.12 crores (approx.), excluding interest, were diverted from FHsL for the benefit of promoter related entity i.e. RHC Holding (through Best, Fern and Modland) & ultimately the beneficiary were the Singh Brothers.

11 From the preceding paragraphs, it is *prima facie* observed that the funds of FHL were moved out through its subsidiaries i.e, FHMNL and FHsL to three borrower entities (viz. Noticees No. 1, 2 and 3) and in turn, through various layers of connected conduit entities to FHL's promoter i.e, RHC Holdings Pvt Ltd. Hence, the ultimate beneficiary of the above diversion of funds from the listed company i.e, FHL were RHC Holding Pvt Ltd and consequently, MMS and SMS, who jointly owned and controlled RHC Holdings during the investigation period.

12 Thus, all these entities i.e, MMS, SMS, RHC Holdings, Mr. Hemant Dhingra (senior functionary of RHC Holdings Limited) 3 borrower companies (Noticees No. 1-3) along with 23 conduit entities (Noticees No. 4 to 26), were observed to be part of a fraudulent and deceptive device wherein they acted in a fraudulent manner which led to misuse and/or diversion of funds from a listed company (i.e, Fortis Healthcare Limited through Fortis Hospitals Limited) to the tune of Rs.397.12 crore (approx.) for the ultimate benefit of its parent company viz, RHC Holdings Private Limited and in turn MMS and SMS. It is observed

that the borrower companies and the conduit entities (Noticees No. 1-26) had miniscule net worth compared to the quantum of fund that they had aided in transferring and are therefore, *prima facie* considered to be companies without any genuine business activities and are being used solely for the purposes of the routing of funds as detailed in the preceding paragraphs. The relationship between the borrower companies and the conduits is tabulated herein below:

Sr. No.	Name & PANs of the entities	Basis of Connection	Relevant Year*
1	Fortis Healthcare Limited	The company, directors include MMS, SMS, Sunil Godhwani.	2011-12
2	Fortis Hospitals Limited	As on March 31, 2012, 100% shareholding of these entities was held by FHL (S. No. 1).	2011-12
3	Escorts Heart Institute and Research Centre Limited		2011-12
4	Fortis Healthcare Holdings Private Limited	Had common director (i.e. SMS) with FHL (S. No. 1). As on March 31, 2012, it was holding 81.34% shareholding in FHL (S. No. 1) and RHC Holding was its holding company during IP.	2011-12
5	RHC Holding Private Limited	Shared common directors and promoters (MMS, SMS) with FHL (S. No. 1). Shared common address (i.e. 55, Hanuman Road, Connaught Place, Delhi) with FHHPL (S. No. 4).	2011-12
6	RHC Finance Private Limited	As on March 31, 2012, it's 100% shareholding was held by RHC (S. No. 5) Shared common address (i.e. 55, Hanuman Road, Connaught Place, Delhi) with FHHPL (S. No. 4) and RHC (S. No. 5)	2011-12
7	Malav Holdings Private Limited	Shared common address (i.e. 55, Hanuman Road, Connaught Place, Delhi) with FHHPL (S. No. 4), RHC (S. No. 5), RHC Finance (S. No. 6). Shared common director (MMS) with FHL (S. No. 1) and RHC (S. No. 5); As on March 31, 2012, it's 95.13% shareholding was held by Malvinder Mohan Singh Jt. Japna Malvinder Singh	2011-12
8	Shivi Holdings Private Limited	Shared common address (i.e. 55, Hanuman Road, Connaught Place, Delhi) with FHHPL (S.	2011-12

Sr. No.	Name & PANs of the entities	Basis of Connection	Relevant Year*
		No. 4), RHC (S. No. 5), RHC Finance (S. No. 6), Malav (S. No. 7) Shared common director (SMS) with FHL (S. No. 1) and RHC (S. No. 5); As on March 31, 2012, it's 95.19% shareholding was held by Shivinder Mohan Singh Jt. Aditi Shivinder Singh	
9	Religare Enterprises Limited	Shared common director (MMS, SMS, Sunil Godhwani) with FHL (S. No. 1). As on March 31, 2016, it's shareholding pattern was as followed: (RHC Finance – 16.33%, RHC – 22.27%, MMS – 6.24%, SMS – 6.10%, Shivi – 5.61%, Malav – 4.36%)	2015-16
10	Religare Finvest Limited	Shared common address (D3, P3B, District Centre, Saket, New Delhi) with REL (S. No. 9). As on March 31, 2016, it's 80.23 % shareholding was held by REL (S. No. 9)	2015-16
11	Shimal Healthcare Private Limited	Shared common director (MMS) with FHL, RHC, RHC Finance, Malav, REL (S. No. 1, 5, 6, 7, 9 respectively) Shared common director (Hemant Dhingra) with FHsL, EHIRCL (S. No. 2, 3 respectively) As on March 31, 2014, it's 50% shareholding was held by RHC Finance (S. No. 6)	2013-14
12	ANR Securities Private Limited	Shared common address (i.e. 55, Hanuman Road, Connaught Place, Delhi) with FHHPL, RHC, RHC Finance, Malav, Shivi (S. No. 4, 5, 6, 7, 8 respectively) Shared common director (Hemant Dhingra) with FHsL, EHIRCL, Shimal (S. No. 2, 3, 11 respectively) As per RHC Holding Annual reports for the IP, MMS and SMS were able exercise significant influence over entity and subsequently a subsidiary of RHC Holding in 2014 .	2011-12
13	Oscar Investments Limited	Shared common directors (MMS, SMS) with FHL, RHC, REL (S. No. 1, 5, 9 respectively) Shared common address (i.e. 55, Hanuman Road, Connaught Place, Delhi) with FHHPL, RHC, RHC Finance, Malav, Shivi, ANR (S. No. 4, 5, 6, 7, 8, 12 respectively) As on March 31, 2012, it's shareholding pattern was as followed: (RHC – 30%, Shivi – 12%, Malav – 12%) and as per Annual Reports of RHC Holding, it was an associate of RHC Holding	2011-12
14	Ligare Aviation Limited (Old Name -	One of the directors of this company was Mr. Sanjay Godhwani, who is the brother of Sunil	2013-14

Sr. No.	Name & PANs of the entities	Basis of Connection	Relevant Year*
	Religare Aviation Limited)	Godhwani. Sunil Godhwani was director in FHL, REL (S. No. 1, 9) As per RHC Holding Annual reports for the IP, MMS and SMS were able exercise significant influence over entity and subsequently became a subsidiary of RHC Holding.	
15	Adept Lifespaces Private Limited (Earlier Adept Creations Private Limited)	Shared common directors (Anuj Chowdhry, Ravi Kohli) with Ligare (S. No. 14) As on March 31, 2012, it's 50% shareholding was held with Best (S. No. 16)	2011-12
16	Best Healthcare Private Limited	Shared common director (Rana Gill) with Adept (S. No. 15) As on March 31, 2012, it's shareholding pattern was as followed: Adept (S. No. 15) – 37%, Fern (S. No. 26) – 6.29%, Best Cure (S. No. 17) - 6.71%, Best Medicine (S. No. 20) – 6.53%.	2011-12
17	Best Cure Private Limited (New Name - Devera Developers Pvt Ltd)	Shared common address (G-24, Mansarover Garden, 1st Floor, Sawan Niwas, New Delhi) with Best (Sf. No. 16) Shared common directors (Pramod Ahuja, Rana Gill) with Best (S. No. 16) As on March 31, 2013, it's 67% shareholding was held by Best (S. No. 16).	2012-13
18	Modland Wears Private Limited	As on March 31, 2012, it's shareholding pattern was as followed : Best (S. No. 16) – 50%, Best Cure (S. No. 17) – 50%	2011-12
19	Rexcin Finance Private Limited	As on March 31, 2014, it's 50% shareholding was held by Best Cure (S. No. 17). Shared common directors (Pramod Ahuja, Rana Gill) with Best (S. No. 16), Best Cure (S. No. 17)	2013-14
20	Best Medicines Pvt Ltd (New Name - Best Health Management Private Limited)	As on March 31, 2012, it's shareholding pattern was as followed: Best (S. No. 16) – 67%, Best Cure (S. No. 17) – 33%. Shared common director (Ravi Kohli) with Ligare and Adept (S. No. 14, 15) Shared common director (Rana Gill) with Adept, Best, Best Cure, Rexcin (S. No. 15, 16, 17, 19)	2011-12
21	Artifice Properties Private Limited	Shared common address (170, Madhuvan, Delhi) with Best Medicines (S. No. 20) Shared common director (Ravi Kohli) with Ligare, Adept, Best Medicine (S. No. 14, 15, 20). As on March 31, 2013, it's shareholding pattern was as follows: Saubhagya (S. No. 30) – 33%, Tiger (S. No. 28) – 33%, Zolton (S. No. 29) - 33%.	2012-13

Sr. No.	Name & PANs of the entities	Basis of Connection	Relevant Year*
22	Ranchem Private Limited	Shared common director (Pramod Ahuja) with Best, Best Cure, Rexcin (S. No. 16, 17, 19). Shared Common directors named Hemant Dhingra with ANR Securities Private Limited (Sr. No. 12) As per RHC Holding Annual reports, MMS and SMS were able exercise significant influence over the entity and which became subsidiary of RHC Holding in 2014.	2011-12
23	Addon Realty Private Limited	Shared common director (Rajveer Singh) with Best Medicine (S. No. 20) Shared common director (Gurpreet Singh Sodhi) with Ranchem (S. No. 22)	2016-17
24	AD Advertising Private Limited	Shared common director (Gurpreet Singh Sodhi) with Ranchem, Addon Realty (S. No. 22, 23); As on December 2015, 50% shareholding was with Rosestar Marketing (Sr. No. 25) and 50% was with Volga Software Private Limited	2014-15
25	Rosestar Marketing Private Limited	Shared common director (Gurpreet Singh Sodhi) with Ranchem, Addon Realty, Ad Advertising (S. No. 22, 23, 24) Shared common director (Prem Lata) with Ad Advertising (S. No. 24) As on September 2015, 50% shareholding was with Ad Advertising (Sr. No. 24) and 50% with Volga Management and Consultancy Private Limited.	2015-16
26	Fern Healthcare Private Limited	Shared common director (Deepak Poswal) with Rexcin (S. No. 19) Shared common director (Ruby Gabadia) with Artifice (S. No. 21) As on March 31, 2012, it's 28% shareholding was held with Best (S. No. 16) and 24% by Modland (S. No. 18); Wef, FY 2014-15, Best and Modland held 50% each Shared common address (A-113, Brotherhood Apartments, H Block, Vikaspuri, New Delhi) with Modland (S. No. 18)	2011-12
27	Torus Buildcon Private Limited	Shared common address (A-113, Brotherhood Apartments, H Block, Vikaspuri, New Delhi) with Modland, Fern (S. No. 18, 26) Shared common director (Ruby Gabadia) with Artifice, Fern (S. No. 21, 26).	2015-16

Sr. No.	Name & PANs of the entities	Basis of Connection	Relevant Year*
		As on March 31, 2016, it's shareholding pattern was as followed: Saubhagya (S. No. 30) – 50%, Tiger (S. No. 28) – 50%.	
28	Tiger Developers Private Limited	Shared common address (A-113, Brotherhood Apartments, H Block, Vikaspuri, New Delhi) with Modland, Fern, Torus (S. No. 18, 26, 27). Shared common director (Bela Rajput) with Torus (S. No. 27). As on March 31, 2016, it's shareholding pattern was as followed: Saubhagya (S. No. 30) – 33%, Zolton (S. No. 29) – 33%, Artifice (S. No. 21) - 33%.	2015-16
29	Zolton Properties Private Limited	Shared common address (A-113, Brotherhood Apartments, H Block, Vikaspuri, New Delhi) with Modland, Fern, Torus, Tiger (S. No. 18, 26, 27, 28). As on March 31, 2016, it's shareholding pattern was as follows: Saubhagya (S. No. 30) – 33%, Tiger (S. No. 28) – 33%, Artifice (S. No. 21) - 33%.	2015-16
30	Saubhagya Buildcon Private Limited	Shared common address (1101, Tolstoy House, Tolstoy Marg, New Delhi) with Adept (S. No. 15) Shared common director (Anuj Chowdhry) with Ligare, Adept (S. No. 14, 15) As on March 31, 2013, it's shareholding pattern was as followed: Zolton (S. No. 29) – 33%, Tiger (S. No. 28) – 33%, Artifice (S. No. 21) -33%.	2012-13
31	Lowe Infra and Wellness Private Limited	As on March 31, 2012, it's 84% shareholding was held by Ms. Shabnam Dhillon, who is the wife of Mr. Gurinder Singh Dhillon. MMS and SMS submitted that they were disciples of Mr. Gurinder Singh Dhillon of Radha Saomi Satsang Beas and the latter was a father figure for them.	2011-12
32	Fortis Global Healthcare Ltd	RHC Holding was its holding company and it shared common director (Hemant Dhingra) with Ranchem (S. no 22), EHIRCL (S. no 3), ANR (S. no 12) & Shimal (S. no 11)	2011-12

Therefore, it *prima facie* appears that all the above mentioned entities have 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, by

aiding and abetting the routing of funds from FHL, ultimately to RHC Holdings, for the benefits of the promoter entities.

13 The structured movement of funds from subsidiaries of FHL to three borrower companies also resulted in artificial inflation of bank balance of FHsL as well as misrepresentation in the consolidated financials of and non-disclosure of material information in subsidiaries' financials and consequently in FHL's consolidated financials during the FYs 2016-17 and 2017-18. Thus the consolidated financials of FHL were observed to be untrue and misleading for the shareholders of the listed company during the IP. Also, by routing of funds through 3 borrower entities in a structured manner during the IP for benefit of the promoters of the listed company, FHL circumvented the provisions pertaining to related party transactions. This resulted in violation of Sections 12A(a), (b), (c) of the SEBI Act, 1992 and Regulations 3(b),(c) & (d), 4(1) and 4(2)(f) & (r) of SEBI (PFUTP) Regulations, 2003 as well as Clauses 32, 49(IV)(A of the Listing Agreement, 49(I)(C)(1)(a) & (d); 49(VII)(D); 49(VIII)(A)(1) 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; Regulations 4(1)(a),(b),(c),(d),(g),(h),(i),(j), 23(2), 30(1),48, 51(1) and 53(f) of SEBI (LODR) Regulations, 2015. In this regard, apart from FHL, being the listed company, 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) is also *prima facie* found to have violated the aforementioned 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 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.

14 With regards to the loans/ICDs discussed in the preceding paragraphs, based on available information, it was observed that the said loans / ICDs were approved by the following persons, viz. Mr. Anurag Yadav, Mr. Aditya Vij, Mr. Vishal Bali, Mr. Balinder Singh Dhillon, Mr. Jasbir Grewal, Mr. Anurag Kalra, Mr. Sandeep Puri, (Noticees No. 32, 33, 27, 28, 29, 31, and 30 respectively being the members of the Treasury Committee/ Executive Committee of FHsL) and Mr. Asish Bhatia, Mr.Daljit Singh and Mr. Preetinder Singh Joshi (Noticees No. 34, 35 and 37 respectively) were non-independent Directors of FHsL who had participated in Board meetings of FHsL wherein loans to the borrower companies were approved in FY 2013-14 as well as the meeting in which the power to grant loans/invest funds was delegated by the Board to certain persons. Dr. Ritu Garg Noticees No. 36) regularly attended meetings of the Board during her tenure especially in the FY 2016-17 and also attended such meetings where the financials of FHsL were approved by the Board. It was seen that the said loans were approved by the aforesaid individuals at different point of time during the IP without adequate due diligence, rationale or discussions amongst the persons approving grant of such loans. In view of the above, it is *prima facie* observed that the abovementioned non-independent directors of FHsL viz, Mr Aditya Vij, Mr Sandeep Puri, Mr Ashish Bhatia, Mr Daljit Singh, Dr Preetinder Singh Joshi and Dr Ritu Garg along with Mr Anurag Yadav, Mr Vishal Bali, Mr Balinder Singh Dhillon, Mr Jasbir Singh Grewal and Mr Anurag Kalra (being the Executive Committee/ Treasury Committee members 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 MMS & SMS. 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.

15 Mr. Balinder Singh Dhillon (Noticee No. 28), Mr. Sunil Godhwani (Noticee No. 38), Mr. Ravi Umesh Mehrotra (Noticee No. 39) and Mr. Harpal Singh (Noticee No.40) were *inter alia* the non-independent directors of FHL during the time when the entire process of lending of funds to the 3 borrower entities (which led ultimately to diversion of funds of a listed company) took place through a structure duly approved by the Board of directors of FHL. They were part of the Board that had approved the grant of loan to FHsL for further investment in 2011-2012 and were duty bound to ensure that the said fund was invested for betterment of the company by periodic monitoring of the same. On the basis of information furnished by FHL, it was *prima facie* observed that the details of the investments made by the company and its subsidiaries including FHsL was regularly placed before the Board of FHL during the period of investigation and the same contained details of funds in ICDs with 3 borrower companies. Also, in the respective Board meeting minutes, the Board duly took note of the said investments as well as the consolidated financials of the company, to which they had raised no objection. It was observed that the initial ICDs to the 3 borrower companies during December 2011 were issued with the condition that the borrower companies will repay the same to FHsL by March 2012. However, the borrower companies were unable to repay this ICD on time and hence, the maturity date of this ICD was extended multiple times till July 2015. Despite the fact that the borrower companies were not able to repay the initial ICD on time, several other ICDs were granted to the same borrower companies. This should

have been questioned by the Board of FHL of which the four individuals named above were members. In view of above, it is concluded that the said non-independent directors of FHL failed to discharge their duties in a manner so as to ensure effective monitoring of the management of FHL and to act with due diligence and care, which was required in the best interest of the listed company and its shareholders. Therefore, it is alleged that the non-independent directors of FHL viz. Mr Balinder Singh Dhillon, Mr Harpal Singh, Mr Sunil Godhwani and Mr Ravi Umesh Mehrotra 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.

16 It is observed that Mr Brian William Tempest (Noticee No. 41), Mr Harpal Singh (Noticee No. 40), Mr Pradeep Raniga (Noticee No. 42), Dr Preetinder Singh Joshi (Noticee No. 37) and Lt Gen Tejinder Singh Shergill (Noticee No. 43) were the members of the Audit and Risk Management Committee of FHL {known as Audit, Risk & Controls Committee before May 29, 2014}. It is noted that in any listed company, the Audit Committee is expected to play a vital role as far as ensuring compliance with existing accounting standards, applicable laws and regulations are concerned. Further, it is seen from the copies of minutes of the FHL's Audit Committee meetings during the IP that the said members have periodically taken note of the consolidated financials of the company as well as recommended the same for the approval of the Board. Also in the said minutes, they reviewed the summary of quarterly financials of FHL's subsidiary companies including their investment details and duly took note of

the same. In this regard, considering the manner in which the loans/ICDs were approved and the pattern of consequent fund movement, it is alleged that had the Audit Committee questioned the rationale for grant of loans/ICDs to the same 3 entities despite delays by them in repayment of the initial loan till next 3-4 years, the subsequent default by the said borrowers and diversion of funds could have been checked and avoided. In view of the above, it is observed that Mr Brian William Tempest, Mr Harpal Singh, Mr Pradeep Raniga, Dr Preetinder Singh Joshi and Lt Gen Tejinder Singh Shergill failed to discharge their duties as members of the Audit Committee of a listed company and hence, did not complied with the provisions of Clauses 49(II)(D)(1),(4),(5); 49(II)(E)(1)(2) of the Listing Agreement, Clauses 49((III)(D)(1),(4),(5) & (9); 49(III)(E)(1)(2); 49(V)(B) 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; Regulation 18(3) read with Clauses A (1), (4), (5), (9); B(1),(2) under Part C of Schedule II and Regulations 24(2) of the SEBI (LODR) Regulations, 2015.

17 It is noted that Deloitte Haskins & Sells LLP ("Deloitte") were the Statutory Auditors of FHL during the period when misrepresentation of financial statements of FY 2016-17 and first quarter of 2017-18 took place and it is therefore alleged that their signatory to the financial statements viz, Mr Rashim Tandon (Noticee No.45) had failed to comply with Code of Ethics issued by ICAI and conduct the audit in accordance with the auditing standards generally accepted in India. Also, Mr Tandon certified that the audited financial statements of FHL for the FY 2016-17 (audited financials for FY 2017-18 were qualified) were free of material misstatement and gave an unqualified opinion that the said financial statements were giving a true and fair view, without having reasonable basis for the opinion. Thus, he was observed to not have complied with standards of audit as prescribed by ICAI in SA 200, SA 240 as

well as Guidance notes of Loans & advances and Guidance notes on cash and bank balances. In view of above, it is alleged that Mr. Rashim Tandon has indirectly aided in misrepresentation and non-disclosure of material information in consolidated financials of FHL during relevant period of IP and thus, violated the provisions of Sections 12A(a), (b), (c) of the SEBI Act, 1992 and Regulations 3(b),(c) & (d), 4(1) and 4(2)(f) & (r) of SEBI (PFUTP) Regulations, 2003.

18 The aforesaid violations, if established, makes the Noticees liable for penalty under section 15HA and 15HB of the SEBI Act, 1992. The contents of the said provisions of law is reproduced herein below:

[Penalty for fraudulent and unfair trade practices.

15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty [which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher*].

Penalty for contravention where no separate penalty has been provided.
15HB. *Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be [liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.]*

19 The Noticees are therefore, called upon to show cause as to why an inquiry should not be held against them in terms of Rule 4 of SEBI Adjudication Rules and penalty should not be imposed under Sections 15HA and 15HB of the SEBI Act, 1992 for the aforesaid alleged contraventions by the Noticees.

20 The Noticees' reply, if any, should reach the undersigned, at the address given below, within 14 days from the date of the receipt of this notice, failing which it shall be presumed that it has no reply to submit and the matter would be further proceeded ex – parte.

Securities and Exchange Board of India
SEBI Bhavan-II, C7, 'G' Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

21 You may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If you wish to avail the benefit of the settlement process, you may apply for the same in the manner provided in the said regulations under intimation to the undersigned.

22 The Noticees are advised to provide copy of their PAN cards and email-id and also to keep the undersigned informed about the change in their correspondence address, if any, till the proceedings are complete.

G. Ramar
Chief General Manager and Adjudicating Officer

Encl. : - Annexures as mentioned above (Annexures 3 and 7 are being provided in soft format in a CD)