

## SECURITIES AND EXCHANGE BOARD OF INDIA

## ORDER

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 and Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003.

In the matter of Fortis Healthcare Limited (FHL)

In respect of:

Sr. No.	NOTICEE(S)	PAN
1.	Best Healthcare Pvt. Ltd.	AADCB1811A
2.	Fern Healthcare Pvt. Ltd.	AACCR3509E
3.	Modland Wears Pvt. Ltd.	AAACM0216F

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**BACKGROUND:**

- Securities and Exchange Board of India (hereinafter referred to as “SEBI”) had passed an ad interim *ex-parte* order dated October 17, 2018 read with order dated December 21, 2018 (referred to as ‘the Interim Order’) in the matter of Fortis Healthcare Limited against 11 entities, including Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd. (all these 3 entities collectively referred to as ‘the Noticees’) for their *prima facie* involvement in diversion of funds amounting to Rs.403 Crores from the books of Fortis Hospitals Limited (FHsL), a 100% subsidiary of Fortis Healthcare Limited (FHL), for the utilization of promoters and promoter group entities of FHL, in violation of the provisions of the SEBI Act, 1992 and the regulations framed thereunder. Vide the Interim Order, SEBI had *inter alia* directed FHL and FHsL to initiate steps to recover the abovementioned amount of Rs.403 Crores from 9 entities (including three Noticees, viz. Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd.), along with due interest, within three months of the date of the Interim Order. The Interim Order had also directed the said 9 entities to jointly and severally repay the said amount to FHL and FHsL and had further directed them not to dispose of or alienate any of their assets or divert any funds, except for meeting expenses of day-to-day business operations, without the prior permission of SEBI, pending completion of the investigation and till further orders.

2. Subsequently, vide order dated March 19, 2019 read with order dated June 28, 2019, (together referred to as ‘the Confirmatory Order’) SEBI had confirmed the said directions, subject to certain modifications.
3. Pursuant to the completion of investigation in the matter, upon reconsideration of the facts and circumstances of the case in totality, it appears appropriate to substitute the ongoing proceedings under Section 11 / 11B of the SEBI Act, 1992 against the abovementioned 3 Noticees with adjudication proceedings under appropriate legal provisions, for their alleged role in the abovementioned diversion of funds. I, therefore, in exercise of powers conferred upon me by virtue of Section 19 read with Sections 11 and 11B of the SEBI Act, 1992, hereby revoke the directions issued vide the Interim Order read with Confirmatory Order against the abovementioned 3 Noticees (viz. Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd.) and also dispose of the ongoing proceedings under Section 11 / 11B of the SEBI Act, 1992 against them.
4. The instant order is being passed without prejudice to the rights of FHL and FHsL to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the fund diversion.
5. It is further directed that the Adjudicating Officer appointed in the matter pursuant to this order shall carry out the adjudication proceedings in an independent manner without getting influenced by this order of revocation.
6. The above directions shall come into force with immediate effect.
7. A copy of this order shall also be served upon the Exchanges and the Depositories.

**Place: Mumbai**  
**Date: November 12, 2020**

**G. MAHALINGAM**  
**WHOLE TIME MEMBER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**