

# Indian Tycoon Accuses Brother, Spiritual Guru of Fraud

[Ari Altstedter](#) February 17, 2019, 10:19 PM PST

business

*By*

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Singh brothers have lost much of corporate empire to debt

Complaint accuses Shivinder Singh of diverting funds to guru



Malvinder Singh Photographer: Brent Lewin/Bloomberg

Former Indian billionaire Malvinder Singh has filed a criminal complaint

accusing his younger brother of siphoning funds from their family holding company and fraudulently diverting them to a renowned spiritual guru, the latest twist in the unraveling of a \$2 billion empire.

Shivinder Singh allegedly directed the holding company to acquire debt-ridden firms which collectively lent 10 billion rupees (\$140 million) to the family and associates of their guru, Gurinder Singh Dhillon, according to a complaint filed to the Economic Offenses Wing of the New Delhi police seen by Bloomberg. In return, the younger Singh was promised he would succeed the guru as head of one of India's most powerful spiritual sects, according to the document.

The public fight between the former billionaire brothers follows the collapse of one of India's most storied business families that once controlled the nation's [top drugmaker](#) and second-largest hospital chain. The siblings have lost much of their corporate empire to debt, and are still being chased by creditors. Meanwhile, India's stock market regulator and fraud office have open investigations into wrongdoing at companies the brothers used to run.

New Delhi police have opened an investigation into the complaint, said a police official. A criminal prosecution would be pursued if the probe establishes criminality, he said. Malvinder and Shivinder have declined to comment on the allegations in the criminal complaint. The brothers have previously denied any wrongdoing at their companies.

Dhillon's lawyer and the secretary of his spiritual sect did not immediately respond to text messages seeking comment on behalf of the guru and his family members referenced in the allegations.

[Read here about The Billionaires and the Guru: A Family Burns Through \\$2 Billion](#)

The criminal complaint alleges that the 43-year-old Shivinder "initiated" as

well as “permitted this siphoning and malfeasance of funds entrusted to him with the ulterior motive of gaining ultimate control of the seat of the spiritual head of the Radha Soami Satsang Beas,” promised to him by Dhillon. The spiritual sect, founded almost 130 years ago and based on a commune in north India, boasts four million followers worldwide.

Malvinder, 46, claims the acquisitions of six debt-ridden companies by his brother were misrepresented as beneficial to the family’s holding company when in fact they had no value. Efforts to write off the guru’s debts to these companies are further eroding the value of the holding company, RHC Holding Pvt., according to the complaint.

## **God in Human Form**

A Bloomberg [investigation](#) last year showed a key reason for the build up in debt that cost the Singhs their empire were loans to the Dhillon family and property firms controlled by the them. Dhillon has previously declined to comment on the matter, and a representative for the spiritual group has said that since 2011, the guru has stepped back from helping the Singhs with guidance over their businesses due to ill health.

Dhillon, who succeeded the Singh’s maternal grandfather as guru of the powerful sect, became something of a father figure to the brothers after their own died in the late 1990s.

Some followers of the sect, maintained on a sprawling commune along the river Beas in Punjab state, call Dhillon a god in human form. As many as half a million followers at a time sometimes congregate at the commune to hear his teachings on how meditation, vegetarianism and high moral values can help one escape the cycle of death and rebirth.

## **Death Threat**

In his criminal complaint, Malvinder claims Dhillon had threatened him to

sign a settlement absolving the guru of any wrongdoing and abstaining from any legal or criminal action against the spiritual leader. Malvinder alleges Dhillon, through his lawyer, told the tycoon he "would be eliminated by persons from the Radha Soami Satsang Beas," if he did not proceed as demanded, according to the complaint. The elder Singh claims he has recordings of these threats and is "fearful for his life."



Photographer: Manoj Verma/Hindustan Times via Getty Images

Besides Shivinder and Dhillon, the complaint also names as references Dhillon's wife, his two sons, and four alleged associates in the allegations.

## **Siphoning Money**

The Singh brothers are themselves under investigation for siphoning money from their public companies, including [Fortis Healthcare Ltd.](#), which is now controlled by IHH Healthcare Bhd. Much of the Singhs' shareholding has been seized by lenders.

In October the stock market regulator released preliminary results of its investigation, finding that the brothers had [defrauded](#) Fortis of 4 billion rupees and ordered them to return it. The regulator has said the investigation is ongoing and hasn't indicated when final results will be made public.

A spokesman for the Singh brothers has previously declined to comment on the finding and order by the stock market regulator.

Three of the shell companies the regulator [identified](#) as recipients of loans from Fortis that were ultimately routed to the Singhs have also been named by Malvinder as lenders to the Dhillon family and his associates.

The complaint comes after the brothers' mother [brokered](#) a truce and convinced Shivinder in September to withdraw a lawsuit against his elder sibling that [alleged](#) "oppression and mismanagement."

(Updates with police comment in fourth paragraph.)

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