

Dated 22.03.2024

To,

SEBI Bhavan BKC

The Securities and Exchange Board of India (SEBI)

Plot No. C4-A, "G" Block

Bandra-Kurla Complex,

Bandra (East), Mumbai-400051

Maharashtra

Subject: Complaint Against Promoter for False Representation

Dear Sir/Madam,

I am writing to bring to your attention a matter of grave concern regarding false representation made by promoters of **Akums Drugs & Pharmaceuticals Ltd.** to SEBI. The promoters in question have allegedly provided misleading information to SEBI, which has the potential to misguide investors and impact the integrity of the securities market.

The false representation by the promoters are as follows.

1. They did not disclose the information about "**Welcure Drugs & Pharmaceuticals Ltd**".
2. They did not disclose the litigation matter related to Welcure Drugs & Pharmaceuticals Ltd.
3. One of the promoter Mr. Sanjeev Jain is also convicted by Hon'ble CJM court of Ludhiana as PO (Proclaimed Offender). Order is attached for reference and record purpose as **Annexure-A**.
4. The promoter Mr. Sanjeev Jain present yourself as a Doctor in Welcure Drugs & Pharmaceuticals Ltd's IPO. Meanwhile he is not qualifying MBBS nor has a degree of MBBS.
5. The aim of promoters is similar such as welcure Drugs & Pharmaceuticals Ltd in the form of Akums Drugs & Pharmaceuticals Ltd to collection of money from the market and cheat the innocent investor.

These actions not only violate the SEBI regulations but also undermine the trust of investors and stakeholders in the market.

I urge SEBI to investigate this matter thoroughly and take appropriate actions against the promoters to ensure that such misleading practices are not repeated in the future. The integrity of the securities market must be upheld, and strict action should be taken against those found guilty of violating SEBI regulations.

I am willing to provide any further information or assistance required to investigate this matter. Thank you for your attention to this important issue.

Sincerely,

Ranjeet Kumar

Ranjeet Kumar

CC:

1. SEBI Bhavan II BKC
Plot No. C-7, "G" Block
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051, Maharashtra
- ✓ 2. NBCC Complex, Office Tower-1,
8th Floor, Plate B, East Kidwai Nagar
New Delhi 110023

भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India उत्तरी प्रादेशिक कार्यालय / Northern Regional Office नई दिल्ली / New Delhi	
28 MAR 2024	
क्रमांक / No. 17698	OGM (VGS)
संलग्न सामग्री का विवरण नहीं है / Contents not verified	
हस्ताक्षर / Signature:	
समय / Time:	

*m/s
11/4/24*

m(SR)

DRUGS INSPECTOR VS JASWANT SINGH ETC. 35133

Present Ms. Rupinder Kaur Drugs Inspector for the complainant.

Jaswant Singh accused no.1/2.

Accused Amit Gupta accused no.5 and 6 exempted.

Accused no.3,4,7 to 10 absconding.

Heard upon charge. Complainant Drugs Inspector Rajesh Suri has filed the present complaint alleging that samples of two drugs were taken by Ajay Singla, then Drugs Inspector, Ludhiana on 27.03.2001 from the premises of M/s Jaswant Medical Hall, V.P.O. Badhowal and upon analysis by the lab, one sample of capsule X-clox was found to be not of standard quality and the contents of Cloxacillin in the, capsule were found to be 113.54mg against the label claim of 250Mg. Pursuant to the subsequent correspondence with accused no.1/2, the other accused including the manufacturer M/s Welcure Drugs & Pharmaceuticals. Ltd. , were listed in the matter and complaint was filed.

2. While accused no.1/2 and 5/6 appeared in the matter and were admitted to bail, remaining accused failed to appear and were declared proclaimed persons.

3. Dinesh Kumar, Zonal Licensing Authority Drugs office of Civil Surgeon Ludhiana deposed as PW1 in pre charge evidence and proved documents Ex.PW1/A to Ex.PW1/S. Ajay Singla, Retired Assistant Drugs Controller, Punjab, deposed as PW2 with regard to inspection of the premises of accused no.1 on 27.3.2001 and proved documents Ex.PW2/A to Ex.PW2/U. Sanjeev Kumar, Assistant Drugs Controller deposed as PW3 with regard to proceedings conducted by him In the matter and proved documents Ex.PW3/A to Ex.PW3/G. Rajesh Suri, Zonal Licensing Authority deposed as PW4 and proved documents Ex.PW4/A to Ex.PW4/F. Aforesaid four witnesses were cross examined on behalf of the appearing accused and thereafter pre charge evidence was closed.

3. A careful consideration of arguments advanced by the complainant Drugs Inspector Ms. Rupinder Kaur and of Id. Counsel for the appearing accused, in the light of the facts of the matter, it follows that accused no.1/2,

appearing in the present complaint, are the retail sellers, from whose premises, two samples were taken and one out of said samples was found to be not of standard quality. Accused no.5/6 are the distributors of the drugs in question, who supplied the same to absent accused no.3 and 4 and the drugs were further supplied to accused no.1 /2. As per averments of the complaint and the evidence of PW2 Ajay Singla, the official who took the sample in question, accused no.1/2 had supplied a copy of purchase bill dated 19.3.2001 Ex.PW2/J regarding purchase of the drugs in question from M/s N.B. Medical Agencies I.e accused no.3/4. Accused no.3/4 further supplied copy of purchase bill dated 13.3.2001 of M/s Amit Pharma Distributors I.e accused no.5/6 and said bill is Ex.PW2/M. Accused no.5/6 M/s Amit Pharma Distributors further produced copy of purchase bill Ex.PW2/P regarding purchase of the drugs in question from M/s Welcure Drugs & Pharmaceuticals. Ltd. Accused no.10. In the light of the aforesaid facts stated by the complainant in the complaint and evidence as well, it is important to note that the counsel for the appearing accused have argued that defence provided under section 19 sub section 3 of the Drugs & Cosmetics Act 1940(herein after referred as to "the act"), was available to the appearing accused. As per aforesaid section a person not being a manufacturer or agent of the manufacturer, is not liable for contravention of section 18 of the act, if he proves:-

A. He acquired the drugs from a duly licensed manufacturer distributor or dealer,

B. That he did not or could not know that the drug contravened the provisions of section 18, and

C. That the drug was properly stored while in his possession and was in the same state as when he acquired it.

4. In view of the aforesaid, it is important to note that PW2 Ajay Singla admitted in his cross examination that he had taken the drugs licenses of accused no.1/2 and 5/6 from the record and found the same to be correct. He further admitted that Ex.PW1/K, manufacturer M/s Welcure Drugs &

Pharmaceuticals. Ltd. had valid drugs manufacturing license and that in voice Ex.PW2/P was issued by M/s Welcure Drugs & Pharmaceuticals. Ltd. regarding the sale of the drug, submitted by M/s Amit Pharma Distributors. Similarly PW4 Rajesh Suri admitted in his cross examination that license of the manufacturer and of the wholesaler M/s Amit Pharma Distributors, were found to be correct alongwith license of accused no.1/2 Jaswant Medical Hall. PW2 also admitted that strip and blister packings containing the drugs were intact and were properly stored at the shop at the time of inspection. It is not stated in the complaint or in the evidence of any relevant witness that supplier to accused no.1/2 I.e M/s N.B.Medical Agencies was not holding a valid license. As such, in view of the aforesaid, the requirements of section 19(3) of the act, noted above, are shown to have been clearly satisfied in the facts of the present matter and thus appearing accused no.1/2 and accused no.5/6 are entitled to the protection under said section and are not liable for the drug not confirming to its standard quality.

5. It is also to be agreed with the contention of the Id. Counsel for the appearing accused that on account of one of the content of the drug in question not being of the strength claimed in the label , the definition of spurious drug as provided under section 17(B) of the act was not satisfied. However, the report received regarding the sample would cause it to fall in the definition of 'misbranded drugs' , given in section 17 of the Act. However, for the reasons mentioned above in detail, appearing accused no.1/2 and accused no.5/6 cannot be held liable for the drug in question being misbranded.

6. Accordingly, appearing accused are discharged in the present matter and the evidence recorded till now in pre charge stage qua the appearing accused shall be considered as the evidence under section 299 of Cr.P.C qua the absconding accused. File is ordered to be consigned to the judicial record room with the observation that the proceedings in the matter shall be taken up if and when any of the absconding accused appears or is brought before this court.

Pronounced in open court

on:-31st January 2017.

Jaapinder Singh(PB0235)
Chief Judicial Magistrate,
Ludhiana.

Deepak Spal.Stg.II