

Dear All,

Please refer to the email below received from Shanti Swaroop Batra in the matter of Welcure Drugs & Pharmaceuticals Limited.

Request Counsels and Isec to look into it.

Regards,

Jigar Jain

Assistant Vice President | Investment Banking - Corporate Finance |

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From: batra.shantiswaroop@rediffmail.com <batra.shantiswaroop@rediffmail.com>

Sent: Tuesday, July 9, 2024 1:07 PM

To: Jigar Jain <jigar.jain@axiscap.in>

Subject: Non-disclosure by Shri Sanjeev Jain & Shri Sandeep Jain, selling shareholders of Akums Drugs & Pharmaceuticals Limited

CAUTION : External Email - VALIDATE SENDER before CLICKING on Links/Attachments.

Dear Sir,

My name is Shanti Swaroop Batra and I am an Advocate by profession and was a Fellow Member of Institute of Company Secretaries of India (FCS 3009) and stand for highest integrity and expect delivery of impeccable CORPORATE GOVERNANCE from the LISTED CORPORATE ENTITIES.

I had joined Private Sector on 01.07.1991 as Assistant Company Secretary with Continental Construction Limited and during the next 5 to 6 years I was witness to a lot of Public Issues being brought by the Corporate Sector in general.

One such company was **WELCURE DRUGS & PHARMACEUTICALS LIMITED** (hereinafter referred to as "**WELCURE**") which had its Registered Office at 304, Mohan Place, LSC Saraswati Vihar, Delhi 110 034 which is also the Registered Office of Akums Drugs & Pharmaceuticals Limited.

WELCURE was promoted was late Shri Dharam Chand Jain (father of Shri Sanjeev Jain and Shri Sandeep Jain), Shri Sanjeev Jain and Sandeep Jain. WELCURE was also in the same business of manufacture and sale of drugs and formulations as Akums Drugs & Pharmaceuticals Limited is presently.

WELCURE came out with a Public Issue in the year 1993/1994 and was listed at Bombay Stock Exchange Limited (BSE) only at that time as WELCURE did not had post-issue capital of Rs. 12.50 crores which was the threshold limit for listing at National Stock Exchange of India Limited (NSE). WELCURE followed the Public Issue with the Rights Issue in the year 1995 and the total paid-up capital of WELCURE increased to Rs. 13.51 crores and WELCURE remained listed at BSE.

WELCURE remained in active business till March, 2009 and the promoters of WELCURE had clandestinely transferred the business of WELCURE to Akums Drugs & Pharmaceuticals Limited which they had incorporated in the year 2004, late Shri Dharam Chand Jain, Shri Sanjeev Jain and Shri Sandeep Jain and 4 others were subscribers to the Articles and Memorandum of Association of Akums Drugs & Pharmaceuticals Limited. WELCURE closed its plant at Bhiwadi (Rajasthan) and did no business afterwards. Over a period of next 18 years Promoters of WELCURE kept on dumping their shareholding in the open market and lastly in the months of **September/October 2022**, promoters of WELCURE including Shri Sanjeev Jain and Shri Sandeep Jain and their family members have sold their entire balance shareholding of 14% to 15% in the open market and now the entire shareholding of WELCURE is appearing in PUBLIC CATEGORY. NO EXIT ROUTE WAS PROVIDED TO THE RETAIL SHAREHOLDERS OF WELCURE EITHER BY BUY-BACK ROUTE OR UNDER SAST REGULATIONS. Now WELCURE has no identifiable promoter although bulk deals of thousands and lakhs of shares of WELCURE takes place daily at BSE.

Sir, my humble submission to you is to incorporate at page 273/274 of DHRP where it has been mentioned that selling shareholders in the last 3 years had parted with their stake in WELCURE DRUGS AND PHARMACEUTICALS LIMITED that WELCURE is a listed company at Bombay Stock Exchange Limited (BSE) and the selling shareholders exited the WELCURE without providing any exit route to the Retail Shareholders of WELCURE and discharge your duty as BOOK RUNNING & LEAD MANAGER in the right perspective.

Thanking You,

(SHANTI SWAROOP BATRA)
(M) 98112 84721

AKUMS DRUGS & PHARMACEUTICALS LTD.

CIN: U24239DL2004PLC125888

Regd. Office: 304, 3rd Floor, Mohan Place, LSC, C-Block, Saraswati Vihar, Delhi-110034

Email id: cs@akums.net, Tel:011-69041000, Fax: 011-27023256 www.akums.in

Date: July 11, 2024

Shanti Swaroop Batra

Dear Sir,

Re: Response to complaint dated July 9, 2024 from Shanti Swaroop Batra to the book running lead managers, ICICI Securities Limited, Axis Capital Limited, Citigroup Global Markets India Private Limited and Ambit Private Limited (collectively, “BRLMs” and such complaint, the “Complaint”)

We are in receipt of the Complaint to the BRLMs to the proposed initial public offering of Akums Drugs and Pharmaceuticals Limited (the “Company”, and such initial public offering, the “Offer”). At the outset, we deny all contentions and claims made pursuant to the Complaint as baseless and devoid of merit. For reference, our response to your Complaint is as follows:

1. Schedule VI of the SEBI ICDR Regulations mandates disclosure of information pertaining to the issuer company, its subsidiaries, joint ventures and associates, group companies, directors, key management personnel, senior management personnel, promoters and promoter group. Welcure Pharmaceuticals Private Limited (“WPPL”), having its registered office at 301, 3rd Floor, Laxmi Tower LSC, Saraswati Vihar, Pitampura, Delhi –110 034, India, is a member of the Promoter Group of the Company as per the definition provided in regulation 2(1)(pp) of the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and has been disclosed as such in the “*Our Promoters and Promoter Group - Promoter Group - Entities forming part of our Promoter Group*” section on page 240 of the draft red herring prospectus dated February 10, 2024 of the Company filed with the SEBI (“DRHP”). However, Welcure Drugs & Pharmaceuticals Limited (“Welcure”) is not a subsidiary, joint venture, associate, group company, promoter, or member of the promoter group of the Company and is not associated with the Company and/or its promoters or directors in any manner. The claim that the promoters of Welcure transferred the business of Welcure to the Company is factually incorrect.
2. Sanjeev Jain and Sandeep Jain were shareholders of Welcure until 2022, however, they sold off their entire stake in Welcure and disassociated with Welcure in September, 2022, as has been disclosed in the “*Our Promoters and Promoter Group*” chapter on page 239 of the DRHP. As on date, Sanjeev Jain and Sandeep Jain hold no shares in Welcure. Since Sanjeev Jain and Sandeep Jain are not promoters of Welcure, they have no obligation or ability to provide an exit offer to the retail shareholders of Welcure. While D.C. Jain was a promoter of Welcure at the time of his disassociation with Welcure in 2022, given that D.C. Jain has since passed away, no exit offer can be provided by him in respect of his erstwhile shareholding in Welcure. Further, at the time of reclassification of D.C. Jain from the ‘promoter’ to the ‘public’ category of shareholders for Welcure, in February, 2023, he held no shares in Welcure and all necessary intimations were provided to stock exchanges in this regard.
3. The Company is eligible to undertake the proposed Offer in terms of the SEBI ICDR Regulations and other applicable laws. Any alleged non-compliance by Welcure of any applicable laws does not impact the Company's eligibility to undertake the proposed Offer. Further, a buy-back obligation, if any, is solely that of Welcure, in terms of the Companies Act, 2013, as a buy-back of its shares under Sections 66 and 68 of the Companies Act, 2013 can only be undertaken by Welcure and not by any third parties.

In light of the above, we submit that there has been no violation of the SEBI ICDR Regulations or any other applicable law with respect to disclosures included in the DRHP by our Company, Sanjeev Jain and Sandeep Jain. The allegations made by you in the Complaint are *prima facie* malicious and have been raised with the intent of deliberately disrupting the Offer, and do not have any bearing on the Offer.

All capitalized terms not defined herein shall have the same meaning as ascribed to them in the DRHP.

Nothing contained herein shall be deemed to be admitted by us, on account of non-traverse. Further, this response is without prejudice to any rights that the Company may have, whether in law or in equity and tort, each of which is expressly reserved.

For and on behalf of Akums Drugs and Pharmaceuticals Limited


Authorised Signatory



From: batra.shantiswaroop@rediffmail.com <batra.shantiswaroop@rediffmail.com>

Sent: 12/07/2024 17:20

To: sebi <sebi@sebi.gov.in>

Subject: Proposed Initial Public Offer of Akums Drugs & Pharmaceuticals Limited

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4A, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

Kind Attention : Ms. Sanjukata Mahala, Assistant General Manager

Kindly refer to the reply dated 11.07.2024 given by the Company Secretary of Akums Drugs & Pharmaceuticals Limited and BRLMs to the proposed Initial Public Offer of Akums Drugs & Pharmaceuticals Limited in response to my complaint in connection with WELCURE DRUGS & PHARMACEUTICALS LIMITED (WELCURE) which is listed only at Bombay Stock Exchange Limited with the following details :

INE331C01017 CODE NUMBER 524661

Replies given by the Company Secretary of Akums Drugs & Pharmaceuticals Limited and representatives of BRLMs to the proposed Initial Public Offer of Akums Drugs & Pharmaceuticals Limited are vague and not on the specific point raised by me in my complaint,

As the entire issue is data-based, I would earnestly request you to kindly call the details from BSE in respect of the following points :

1. Details of Promoters as given in the Draft Prospectus of WELCURE approved by SEBI in 1993/1994.
2. Details of Promoters as given in the Draft Offer of Letter of WELCURE approved by SEBI in 1994/1995.
3. Details of Lock-in Shares while granted approval to WELCURE at the time of granting listing approval to the shares in Public Issue and Rights Issue.
4. Holding of Promoters at the time of listing of shares allotted in the Public Issue/Rights Issue.
5. Quarter-wise Shareholding Pattern of WELCURE 1993/1994.
6. Did the Promoters took any approval from BSE for disposing of part of their shareholding in WELCURE in any Financial Year starting from 1st April, 1994.
7. Were the Promoters of WELCURE ever given permission to not to be Promoters of WELCURE and who are the present promoters of WELCURE.
8. Did WELCURE continued to remain LISTED with BSE since 1993/1994 or there was a gap in between.
9. Who are the present directors of WELCURE and how they have come to be appointed on the Board of WELCURE.

10. Who are the present promoters/shareholders of WELCURE and have they fulfilled their obligations under SAST REGULATIONS.

MADAM,

WELCURE is a JINDA LAASH (LIVING DEAD) Company today and there are many such companies LISTED at BSE/NSE where the past promoters have escaped from back door and new promoters have not followed the rules and regulations framed by SEBI. The present Chairperson has reiterated at many forums that SEBI means neat and clean participants and follow of impeccable CORPORATE GOVERNANCE.

MADAM,

As the matter is of utmost importance and goes to the very root of existence of SEBI, I earnestly request you to advise the BLRMs of Akums Drugs & Pharmaceuticals Limited not to go-ahead with the Initial Public Offer till the investigation into the affairs of WELCURE is completed at your end.

Thanking You,

(SHANTI SWAROOP BATRA)
(M) 98112 84721

AKUMS DRUGS & PHARMACEUTICALS LIMITED

Regd. Office: 304, Mohan Place, L.S.C., Block-C, Saraswati Vihar, New Delhi-110034 (INDIA)

Corp. Office: 'Akums House', Plot No. 131-133, Block-C, Mangolpuri Ind. Area, Phase-I, Delhi- 110083.

☎ +91-11-69041000 ; 📠 : +91-11-27023256; E-mail : akumsho@akums.net ; website : www.akums.in

Date: July 19, 2024**Shanti Swaroop Batra**

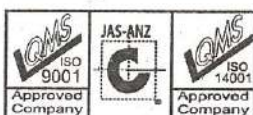
Dear Sir,

Re: Response to complaint dated July 12, 2024 and received on July 18, 2024, from Shanti Swaroop Batra (“Complainant”) to the Securities and Exchange Board of India (“SEBI”, and the complaint, the “Second Complaint”).

We are in receipt of the Second Complaint to SEBI in relation to the proposed initial public offering of equity shares by Akums Drugs and Pharmaceuticals Limited (the “Company”, and such initial public offering, the “Offer”). At the outset, we deny all contentions and claims made in relation to the Company, its Promoters and the Offer in the Second Complaint as baseless and devoid of any merit and reiterate our response dated July 11, 2024 (“First Response”) to the previous complaint dated July 9, 2024 (“First Complaint”, and together with the Second Complaint, the “Complaints”) made by the Complainant.

For reference, our response to your Second Complaint is as follows:

1. You have stated in the Second Complaint that the First Response provided by us does not address your allegations specifically and that the First Response is vague and unclear. We vehemently deny such allegations and reiterate that Company and its Promoters, Sanjeev Jain, and Sandeep Jain, are not related or associated in any manner with Welcure Drugs and Pharmaceuticals Limited (“Welcure”). On the contrary, you have failed to make any cogent claims which are based on fact and/or or law against the Company and its Promoters and have also failed to provide any documentary evidence to support the allegations made by you in the Complaints. In the absence of any valid claims against the Company and its Promoters which have a basis in law and fact, the Company and its Promoters owe no obligation to you to respond to your baseless allegations.
2. The First Complaint alleged that the promoters of Welcure transferred the business of Welcure to the Company clandestinely. We reiterate that this allegation is factually inaccurate and has not been supported with any documentary proof. We reiterate that Welcure is not a subsidiary, joint venture, associate, group company, promoter, or member of the promoter group of the Company and is not associated with the Company and/or its Promoters or Directors in any manner. Other than the fact that Sanjeev Jain and Sandeep Jain disassociated from Welcure in September 2022 by selling their entire stake in Welcure, which has been disclosed in the “Our Promoters and Promoter Group” chapter on page 239 of the DRHP, the Company was not required to disclose any information in relation to Welcure in its draft red herring prospectus dated February 10, 2024 filed with the SEBI in accordance with the applicable disclosure requirements, specifically, Schedule VI of the SEBI ICDR Regulations.
3. The First Complaint also alleged that the individual promoters of the Company, Sanjeev Jain and Sandeep Jain, were promoters of Welcure and that they had sold their entire shareholding in Welcure in the open market and that no exit route was provided to the retail shareholders of Welcure either through a buy-back route or under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. The First Complaint had further alleged that Sanjeev Jain and Sandeep Jain sold off their stake in Welcure without following the appropriate rules and regulations framed by SEBI. We reiterate that this is a false allegation, with no factual or legal basis, made with the sole intent to disrupt the Offer. It is reiterated that there was no obligation on Sanjeev Jain and Sandeep Jain to provide any exit to the retail shareholders of Welcure either through a buy-back route or under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. We submit that all necessary regulatory procedures were followed by Sanjeev Jain and Sandeep Jain, when they, as ordinary shareholders, sold their shareholding in Welcure on the open market.

ISO 9001 : 2015
ISO 14001 : 2015
ISO 17025 : 2005 (NABL)WHO-GMP
US : NSF
H A C C P

4. There have been no legal or regulatory proceedings initiated by SEBI or BSE or any other regulatory authority against Sanjeev Jain and Sandeep Jain in relation to their past association with Welcure and/or in relation to the sale of their stake in Welcure. Any alleged non-compliance by Welcure of any applicable laws does not impact the Company's eligibility to undertake the proposed Offer.

In light of the above, we submit that there has been no violation of the SEBI ICDR Regulations or any other applicable law with respect to disclosures included in the DRHP by our Company, Sanjeev Jain and Sandeep Jain. The Company and its Promoters are committed to ensuring that the best corporate governance practices are observed by the Company. The Company is eligible to undertake the proposed Offer in terms of the SEBI ICDR Regulations and other applicable law and has duly undertaken to comply with all applicable laws in relation to the Offer.

The allegations made by the Complainant, are *prima facie* malicious and have been raised with the intent of deliberately disrupting the Offer, and do not have any bearing on our Company, its Promoters, or the Offer.

All capitalized terms not defined herein shall have the same meaning as ascribed to them in the DRHP and the First Response.

Nothing contained herein shall be deemed to be admitted by us, on account of non-traverse. Further, this response is without prejudice to any rights that the Company may have, whether in law or in equity and tort, each of which is expressly reserved.

For and on behalf of **Akums Drugs and Pharmaceuticals Limited**



Authorised Signatory



CC:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A,
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India