



CNR: KAHC010442312026

NC: 2026:KHC:47894
CRL.P No. 9480 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 2ND DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.NAGAPRASANNA

CRIMINAL PETITION NO. 9480 OF 2026

BETWEEN:

1. M/S MEDPLUS
(UNIT OF RITEMED PHARMA RETAIL PVT. LTD),
SHOP- NO2, NO-359,
8TH MIAN, 4TH BLOCK,
3RD STAGE, BASAVESHWARANAGAR,
BENGALURU-560079
REPTD BY. K SUDHAKAR REDDY,
AUTHORIZED SIGNATORY OF A1 FIRM.
2. SRI. SUDHAKAR REDDY,
SON OF NARASIMHA REDDY,
AGED ABOUT 53 YEARS
RESIDING AT NO.1-9 CHINNA RAMAPURAM,
GANESH TEMPLE CHINNA RAMA PURAM,
PO. BHIMAVARAM DISTRICT, TIRUPATHI,
ANDHRA PRADESH 517102
AUTHORISED SIGNATORY OF A1 FIRM.
3. SMT. NETHRAVATHI S
D/O SRINIVAS
AGED ABOUT 30 YEARS
RESIDING AT NO.1006,
NEAR KALIYAMMA TEMPLE,
VTC BENGALURU NORTH

Digitally
signed by
CHETAN B C
Location:
High Court
of Karnataka



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P.O DEVANAHALLI,
BENGALURU NORTH
PIN CODE 560037.

...PETITIONERS

(BY SRI. AKKIMANJUNATH GOWDA K., ADVOCATE)

AND:

1. THE STATE OF KARNATAKA
BY ASSIST. DRUGS CONTROLLER-2
BENGALURU CIRCLE-4,
FOOD SAFETY AND DRUG ADMINISTRATION
PALACE ROAD, BENGALURU 560001
REP BY SPP, BENGALURU

...RESPONDENT

(BY SMT. WAHEEDA M.M., HCGP)

THIS CRL.P. IS FILED U/S.482(FILED U/S.528 BNSS)
CR.P.C PRAYING TO QUASH THE ENTIRE PROCEEDINGS IN
CRL.MISC.NO.41/2025 WHICH IS PENDING BEFORE THE SPL
COURT FOR ECONOMIC OFFENCE, BENGALURU REGISTERED
BY RESPONDENT FOR THE OFFENCE P/US/ 18(a)(vi), 65(9)(a),
65(4)(3), 65(4)(4) OF DRUGS AND COSMETICS ACT.

THIS PETITION, COMING ON FOR ADMISSION, THIS DAY,
ORDER WAS MADE THEREIN AS UNDER:

CORAM: **HON'BLE MR. JUSTICE M.NAGAPRASANNA**

ORAL ORDER

Heard the learned counsel Sri. Akkimanjunath Gowda K.,
appearing for the petitioners, Smt. Waheeda M.M., learned



CNR: KAHC010442312026

HCGP appearing for the respondent and have perused the material on record.

2. The petitioners are before this Court, seeking the following prayer:

- "a) To Quash the entire proceedings in Crl. Misc 41/2025 which is pending before the Spl Court for economic offence, Bengaluru registered by Respondent for the offence punishable under section 18(a)(vi), 65(9)(a), 65(4)(3), 65(4)(4) of Drugs and Cosmetics act.
- b) And pass such other relief/s as this Hon'ble Court deems fit in the circumstances of the case, in the interest of justice."

3. Learned counsel appearing for the petitioner submits that the issue in the *lis* stands completely answered by the judgments rendered by the Co-ordinate Bench of this Court in Crl.P.No.5392/2017 dated 07.08.2017 and by this Court in Crl.P.No.6755/2016 dated 19.08.2021, wherein they have held as follows:

In Crl.P.No.5392/2017:

Petitioners who are arraigned as accused Nos. 2 and 3 in C.C.No.152/2017 are before this Court seeking for quashing of said proceedings.



CNR: KAHC010442312026

2. Facts in brief which has led to filing of this petition are as under:

Respondent herein filed a complaint before 3rd Addl. Civil Judge (Sr.Dn) & JMFC, Davanagere under Section 200 Cr.P.C alleging that petitioners and two others have committed offences punishable under Section 18(a)(vi) read with Rule 65(2) of Drugs and Cosmetics Act, 1940 and Rules made thereunder which is punishable under Section 27(d) of Drugs and Cosmetics Act, 1940 contending interalia that on 12.05.2016 Sri. Manjunath Reddy, Assistant Drugs Controller-2, Davanagere Circle, Davanagere obtained prescription containing drugs namely Ciflox XL tablets and Hifenac tablets from Dr.Manoj Kumar S Pujar, Consultant Physician, Pooja Hospital, Davanagere and went to Anjaneya layout and secured Sri Vinay Kumar and Sri Veeresh for the purpose of conducting test purchase and after briefing them, he requested Sri Vinay Kumar to act as a decoy customer to purchase drugs from accused No.1 – firm and handed over the prescription issued along with three(3) Rs.100 currency notes bearing distinctive numbers and told him to purchase the prescribed drugs and accordingly said decoy purchased the drugs prescribed and on his signal, C.W.1, C.W.2, C.W.4 proceeded to accused No.1's shop and found that person in charge had sold drugs mentioned in the prescription to C.W.3 in the absence of a registered Pharmacist and as such, it was alleged that accused persons have committed an offence punishable under the Act as noticed herein above. Accordingly, complaint came to be registered by jurisdictional Magistrate who took cognizance of the offence and issued summons to the accused persons.

3. Petitioners who have been arraigned as accused Nos.2 and 3 are before this Court for quashing of said proceedings contending interalia that accused No.1 is a registered company carrying on business of Chemists and Druggists in the trade name of Med-Plus; petitioners-1 and 2 being Directors of said company and there is no direct or indirect allegations made against the petitioners in the entire complaint; it is based on a complaint lodged on 10.03.2010 by one Mr.Prabhu and complaint is filed on 18.03.2017 and the ingredients prescribed under Section 34 of the Drug and Cosmetics Act, 1940 (for short 'Act') is



CNR: KAHC010442312026

not attracted. Hence, they seek for quashing of proceedings pending in C.C.No.152/2017.

4. Per contra, learned HCGP appearing for the State would support the case of the prosecution and submits that accused Nos.2 and 3 – petitioners being Directors of the firm – accused No.1 and they are responsible for day-to-day administration and as such, they have been rightly arraigned as accused and prays for rejection of the petition.

5. Having heard the learned Advocates appearing for parties and on perusal of the records, it would disclose that respondent has alleged that petitioners have committed an offence punishable under Section 27(d) of the Act namely, having sold the drug in contravention of Section 18(a)(vi) of the Act namely, having sold the drug on the prescription of a registered medical practitioner without the personal supervision of a registered Pharmacist as required under Rule 65 (2) of the Drugs and Cosmetics Rules, 1945 and as such, they are punishable under Section 27(d) of the Act. Section 34 of the Act provides for proceedings against company if such offence is committed by a company. Section 34 of the Act reads thus:

"34. Offences by companies.- (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has



CNR: KAHC010442312026

been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.- For the purposes of this section-

(a) "company" means a body corporate, and includes a firm or other association of individuals; and

(b) "director" in relation to a firm means a partner in the firm."

6. A bare reading of sub-section (1) of Section 34 of the Act would indicate that expression **"every person who, at the time of offence was committed"** is used not without any significance and same would indicate that criminal liability of a Director must be determined on the date the offence alleged to have been committed. In other words, complaint should specify or disclose or indicate that accused persons were responsible for day to day management and affairs of the company and on account of their participation in the said act, it has resulted in an act punishable under the Act and as such, criminal liability is to be fastened on them. Provision contained in Section 34 of the Act clearly stipulates that when the company is an accused and then, persons incharge as well as company would be deemed to be liable for the offence under the Act for such offence. Statutory intendment is clear and unambiguous. Proviso to sub-section (1) would be a complete answer to this proposition namely, it would indicate that nothing contained in sub-section (1) would render any such person liable to any punishment provided under the Act, proves that offence is committed without his knowledge or that he had exercised his due diligence to prevent commission of such offence. To put it differently, if complaint averments does not disclose that persons who have been arraigned as accused were not at the helm of



CNR: KAHC010442312026

affairs at the time of alleged commission of offence or accused persons were in no way responsible for the day to day administration of the business or allegations made in the complaint does not disclose that persons so accused were directly responsible for the criminal act, in such circumstances, prosecution cannot be heard to contend that merely because the person is a Director of the company would be vicariously liable for all the acts done by any other person who has committed the offence. This proposition is fortified by the view expressed by Hon'ble Apex Court in the case of **ANEETA HADA vs M/S.GODFATHER TRAVELS & TOURS PVT. LTD.** reported in **AIR 2012 SC 2795** vide paragraph 25 & 32 and in the case of **HARSHENDRA KUMAR D vs REBATILATA KOLEY ETC.** reported in **AIR 2011 SC 1090** vide paragraph 15.

7. In the light of the aforestated position of law, when the facts on hand are re-examined, particularly, when the allegations made in the complaint are perused, it would indicate that allegation made against petitioners who have been arraigned as accused Nos.2 & 3 are as under:

"4. That the Accused A2, Sri Madhukar Gangadi and A3 Sri K. Satya Murali Krishna are the Directors of the accused firm A1 and hence are responsible for the conduct of the business of the A1 firm and thereby by responsible for the offence committed and described hereunder."

"II. The accused person A2, Sri. Madhukar Gangadi being one of the Directors of A1 firm is responsible for selling the Schedule H and Schedule H1 drug in absence of Registered Pharmacist and thereby violated Section 18(a) (vi) read with Rule 65(2) of the said Act which is punishable under Section 27(d) of the Act.

III. The accused person A3, Sri. K. Satya Murali Krishna being one of the Directors of A1 firms is responsible for selling the Schedule H and Schedule H1 drug in absence of Registered Pharmacist and thereby violated Section 18(a) (vi)



CNR: KAHC010442312026

NC: 2026:KHC:47894
CRL.P No. 9480 of 2026

read with Rule 65(2) of the said Act which is punishable under Section 27(d) of the Act."

8. A bare reading of these allegations made in the complaint cannot be construed as petitioners being Directors of accused No.1 – company were either in-charge of the day-to-day affairs of the firm or they had dispensed with the drug prohibited under the Act on account of their participation and supervision. Merely because they are Directors of accused No.1 – company, ipso facto does not make their act, so as to fix vicarious liability on them and as such, this Court is of the considered view that proceedings initiated against petitioners cannot be continued and continuation thereof would be an abuse of process of law .

Hence, I proceed to pass the following:

ORDER

(i) Criminal Petition is hereby allowed.

(ii) Proceedings in C.C.No. 152/2017 pending on the file of III Additional Civil Judge (Sr.Dn) & JMFC, Davanagere against petitioners are concerned is hereby quashed.

(iii) Petitioners are acquitted of the charges of violation of Section 18(a)(vi) read with Rule 65(2) of Drugs and Cosmetics Act, 1940 and Rules which is punishable under Section 27(d) of the Act."

In CrI.P.No.6755/2016:

Heard Sri.Akki Manjunath Gowda.K., learned counsel appearing for petitioners and Sri.Mahesh Shetty, learned High Court Government Pleader appearing for respondent.

2. Both the learned counsel would submit that the issue in this criminal petition stands covered by the order



CNR: KAHC010442312026

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CRL.P No. 9480 of 2026

passed in Crl.P.No.5392/2017 disposed on 7.8.2017 which was a *lis* between the same parties alleging same offences on a different crime number.

3. Therefore, for the reasons indicated in Crl.P.No.5392/2017 dated 7.8.2017, this criminal petition stands allowed and the proceeding in C.C.No.178/2016 pending before the Special Court for Economic Offences, Bengaluru stands quashed."

In the light of the orders passed by the Co-ordinate Bench of this Court and by this Court (*supra*) and for the reasons aforementioned, the following:

ORDER

- (i) The Criminal Petition is allowed.
- (ii) The proceedings in Crl.Misc.No.41/2025 pending before the Special Court for Economic Offence, Bengaluru, stand quashed, *qua* the petitioners.

**Sd/-
(M.NAGAPRASANNA)
JUDGE**

SJK
List No.: 2 Sl No.: 21