HC-KAR
CNR: KAHC010577472026

NC: 2026:KHC:61661
WP No. 25995 of 2026

®

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 5TH DAY OF NOVEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

WRIT PETITION NO. 25995 OF 2026 (GM-RES)

BETWEEN

ABBVIE HEALTHCARE INDIA PRIVATE LIMITED
THROUGH ITS DIRECTOR,
KALYAN SATTARU
LEVEL 6 AND 7, PRESTIGE OBELISK,
NO. 3, KASTURBA ROAD, BENGALURU,
KARNATAKA, 560001, INDIA
COMPANY REGISTERED UNDER THE
COMPANIES ACT, 1956

... PETITIONER

(BY SRI. UDAYA HOLLA., SR. COUNSEL FOR
SMT. MAITREYI B. KANNUR., ADVOCATE)

AND

1. APEX COMMITTEE FOR PHARMA MARKETING PRACTICES
   THROUGH ITS CHAIRMAN,
   DEPARTMENT OF PHARMACEUTICALS
   ROOM NO. 340B, A-WING, 3RD FLOOR,
   SHASTRI BHAWAN, DR. RAJENDRA PRASAD ROAD,
   NEW DELHI-110001

2. DEPARTMENT OF PHARMACEUTICALS
   THROUGH ITS SECRETARY
   ROOM NO. 340B, A-WING, 3RD FLOOR,
   SHASTRI BHAWAN, DR. RAJENDRA PRASAD ROAD,
   NEW DELHI-110001

3. DEPUTY DIRECTOR OF INCOME TAX (INVESTIGATION)
   CENTRAL REVENUE BUILDING ANNEXE,
   QUEEN'S ROAD, BENGALURU - 560001.

4. REGISTRAR OF COMPANIES, BENGALURU

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KENDRIYA SADAN, 2ND FLOOR
'E' WING, KORAMANGALA,
BANGALORE - 560034

....RESPONDENTS

(V/O/D 19.08.2026;
SMT. NAYANATARA B.G., CGC FOR R1, R2 & R4;
SRI. Y.V. RAVIRAJ., ADVOCATE FOR R3)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT, ORDER OR DIRECTION IN THE NATURE OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER OR DIRECTION QUASHING AND SETTING ASIDE THE ORDER DATED DECEMBER 23, 2024, BEARING ACPMP NO. 01/2024 PASSED BY RESPONDENT NO. 1, THE APEX COMMITTEE FOR PHARMA MARKETING PRACTICES (ANNEXURE A) AND ETC.

THIS WRIT PETITION COMING ON FOR ORDERS AND HAVING BEEN RESERVED FOR ORDERS ON 29.08.2026, THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

CAV ORDER

1. The Petitioner is before this Court seeking for the following reliefs:

   A. *Issue a writ, order or direction in the nature of certiorari or any other appropriate writ, order or direction quashing and setting aside the order dated December 23, 2024 bearing ACPMP no. 01/2024 passed by Respondent no. 1, the Apex Committee for Pharma Marketing Practices (Annexure A)*

   B. *Issue a writ, order or direction quashing and setting aside all proceedings, references,*

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communications, notices, inquiries, investigations, and actions initiated pursuant to, in furtherance of, or on the basis of the impugned order, including proceedings initiated by Respondent nos. 3 and 4 vide summons dtd summons dtd January 13,2026 ITBA/INV/S/131/25-26 /1084731119 (1) Annx-AA Summons Dtd February 9, 2026 ITBA/INV/S/131/25-26 /1085748590(1) Annx-DD, Notice Dtd May 12, 2026 Bearing ROCB/206(4) / Inquiry/ Abbvie / IIOIOO596 (Annx-JJ) National or State Medical Councils, or any other authority;

C. *Issue a writ, order or direction restraining the Respondents, their officers, servants, agents, and any authority acting pursuant to or in furtherance of the impugned order from taking any coercive or precipitative steps against the Petitioner,*

D. *Pass such other and further orders as this Honble court may deem fit in the facts and circumstances of the present case.*

2. When the petition was filed, the Petitioner had sought a writ of certiorari to quash the order dated 23.12.2024 bearing ACPMP No.1 of 2024, passed by Respondent No.1-the Apex Committee for Pharma Marketing Practices and for interim relief staying the operation of said order. An amendment application was filed and allowed, pursuant to which the Petitioner sought stay of consequential proceedings initiated by Respondent No. 4, Registrar of Companies ("**ROC**"), vide notice dated 12.05.2026 at

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Annexure JJ, and summons by Respondent No.3, dated 13.01.2026 and 09.02.2026 at Annexure-AA and Annexure-DD, respectively.

3. It is after the said amendment that the petition was to be taken up for consideration; since both the counsels submitted that the matter could be taken up for final hearing rather than consideration of interim relief, this Court took up the matter for final hearing.

4. Sri. Udaya Holla., learned Senior Counsel appearing for the Petitioner, submits that;

4.1. On 12.12.2014, Respondent No. 2, Department of Pharmaceuticals (hereinafter referred to, for the sake of convenience, brevity, and identification, as "**DOP**"), had issued the Uniform Code for Pharmaceutical Marketing Practices, 2014 (hereinafter referred to, for the sake of convenience, brevity and identification, as "**UCPMP 2014**"), which governed pharmaceutical marketing practices. It is submitted that, subsequently, another Uniform Code was issued in 2024, known as "Uniform Code for Pharmaceutical Marketing Practices, 2024 (hereinafter referred to, for the sake of

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convenience, brevity and identification, as "**UCPMP 2024**").

4.2. Learned Senior Counsel submits that both UCPMP 2014 and UCPMP 2024 are voluntary Codes governing the Marketing Practices of the Indian pharmaceutical industry. UCPMP 2014 also refers to the Indian Medical Council (Professional Conduct) Etiquette and Ethics Regulations, 2002 (hereinafter referred to, for the sake of convenience, brevity and identification, as "**IMC Regulations 2002**").

4.3. Learned Senior Counsel submits that the code of Conduct for Doctors and Professional Association Doctors in relation to the pharmaceutical and allied health sector would be governed by both the UCPMP and the IMC Regulations. The Petitioner had engaged certain Healthcare Professionals (hereinafter referred to, for the sake of convenience, brevity and identification, as "**HCPs**") under a Professional Services Agreement. His submission is that these agreements were for legitimate medical knowledge dissemination and related professional activities.

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4.4. The Petitioner manufactures various medical devices, which are imported and marketed in India after obtaining appropriate regulatory approvals. These devices fall under the Class C medical devices category and require consistent training and support to ensure better patient outcomes. The manner in which the said devices are used would have a direct bearing on the success of the treatment. Therefore, the skills of the HCP administering such injections are of paramount importance. It is for that reason that the Petitioner seeks to ensure that the HCPs are trained in using such injectable products in a proper manner as per the product's directions for use.

4.5. Learned Senior Counsel’s submission is that, if the HCP were not to administer the said injections in a proper manner, there could be rare but serious adverse events associated with such intravascular injections of dermal fillers in the face and tissue compression, including temporary or permanent vision impairment or cerebral ischemia.

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4.6. It is for that reason, Learned Senior Counsel submits that even the packaging of the said products bears a disclaimer and/or a warning that the product should only be used by medical practitioners who have appropriate training and experience in injection techniques, and it is for that reason that only HCPs who are trained by the Petitioner use the said products. He submits that the HCPs not only trained themselves, but after such training, trained other doctors in India, ensuring that the patients receive safe, competent and properly administered treatment.

4.7. In this regard, Professional Services Agreements (hereinafter referred to, for the sake of convenience, brevity and identification, as "**PSAs**") are entered into with the HCPs and some of the training is provided abroad at various international conferences. Two of the conferences which are the subject matter of the present *lis* are the International Master Course on Ageing Science, 2024 (hereinafter referred to, for the sake of convenience, brevity and identification, as "**IMCAS 2024**") held from 01.02.2024 to 03.02.2024 and the Aesthetic

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and Anti-ageing Medicine World Congress, 2024 (hereinafter referred to, for the sake of convenience, brevity and identification, as "**AMWC 2024**") held from 26.03.2024 to 29.03.2024.

4.8. Learned Senior Counsel's submission is that the Petitioner therefore ensures that HCPs who have entered into a PSA with the Petitioner participate in conferences like the above and, for that purpose, the Petitioner takes care of the expenses of booking the flight tickets, accommodation, etc.

4.9. Though UCPMP 2024 had come into force, learned Senior Counsel submits that companies such as the Petitioner were transitioning from UCPMP 2014 and that some commitments had been entered into before UCPMP 2024 came into force. It is therefore contended that UCPMP 2014 applied to those commitments.

4.10. Learned Senior Counsel's submission is that a PSA is only for the purpose of training and is not predicated or dependent on the HCP's recommending, administering or prescribing the Petitioner's products; such factors do not have

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any determinative effect on the HCPs to attend such conferences. He further submits that the PSAs do not influence the HCPs' decisions or choices regarding the use of the Petitioner's products or that of similar products by other companies and therefore nothing to do with any business promotion on the part of the Petitioner.

4.11. Insofar as the IMCAS 2024 is concerned, six HCPs attended the conference, which was conducted by renowned independent international association and attended by more than 18,000 HCPs from across the world. He submits that the Petitioner had not organised the conference, nor did it have any role or control in determining the location of the conference. The Petitioner only provided the logistics for booking tickets, stay in Paris, etc.

4.12. Learned Senior Counsel relies on Clause 9 of the UCPMP 2014, which is reproduced hereunder for easy reference:

> ***9. Committee for Complaint Handling:***
>
> *9.1 There will be a committee for handling the complaints named as 'Ethics Committee for*

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Pharma Marketing Practices (ECPMP) in each of the associations

9.2 The committee will have 3 members, represented by the Executive Head of the companies or a nominee from the Executive Head, but not below the rank of Director in the Board of Company

9.3 In case of conflict of interest, the Head of the association will decide 3 members. who will handle the complaint

9.4 There will be a review committee for handling the review of the decisions of ECPMP, if any of the parties (complainant or Respondent) desire so. This committee will be named as "Apex Ethics Committee for Pharmaceuticals Marketing Practices (AECPMP) and will consist of 5 members, represented by the Executive Head of the companies or a nominee from the Executive Head, but not below the rank of Director in the Board of Company. The members of the committed will be nominated by the Head of the Association.

4.13. Referring to Clause 9, Learned Senior Counsel submits that a Committee for handling complaints, namely, the Ethics Committee for Pharma Marketing Practices (hereinafter referred to, for the sake of convenience, brevity and identification, as "***ECPMP***") is to be constituted in each Association, which would have three members represented by the Executive Head of the companies or a nominee

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from the Executive Head, but not below the rank of Director in the Board of the Company.

4.14. Learned Senior Counsel refers to Clause 10 of the UCPMP 2014 and submits that the procedure for lodging a complaint has been detailed therein; the said Clause 10 is reproduced hereunder for easy reference;

> ***10. Lodging of Complaints***
>
> *10.1 All complaints, related to the breach of the Code should be addressed to the "Ethics Committee for Pharma Marketing Practices (ECPMP)", "Chief Executive Officer", "Name of Association".*
>
> *10.2 All complaints related to an activity of breach of the Code should, to the extent practicable, be made at one time. The complaint must be made within six months of the alleged breach of the Code, with a maximum of another six months for reasonable delay that can be explained in writing. Related complaints may be clubbed together by the Ethics Committee to save time and expedite disposal.*
>
> *10.3 Complaints must be in writing and for each case The Complainant should:*
>
> *i. identify himself (whether a company, entity or an individual) with a full mailing address (email and mobile telephone no).*
>
> *ii. identify the company, which is alleged to have breached the Code, including the name of any company personnel, product, or products, which are specifically involved.*

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iii. give the details of the activity which is alleged to be in breach of the Code, give the date of the alleged breach, clauses of the Code which are alleged to have been breached, and provide supporting evidence of the alleged breach(es).

10.4 A non-refundable amount of Rs.1,000/ is to be deposited by the complainant along with the complaint. The respective association will elaborate on their website how this payment is to be made. No pseudonymous or anonymous complaints or those made without the prescribed fee will be entertained.

10.5 When the complaint is from a pharmaceutical company, the complaint must be signed or authorized in writing by the company's managing director or chief executive officer or a person at an equivalent level.

10.6 When it appears from media reports (other than letters to the editor of a publication) that a Company may have breached the Code, the matter may be treated as a complaint, and the committee may request the concerned publication for further information, and the source or the correspondent may be treated as the complainant.

10.7. Any complaint received by the Department of Pharmaceuticals may also be forwarded to the concerned Association for necessary action. In such cases, the concerned Association will take up the matter further with the complainant concerned. The Department may order a special audit for the purpose.

4.15. By referring to Clause 10.3, Learned Senior Counsel's submission is that the complainant should identify himself with full mailing address and if the complaint is from a Pharmaceutical

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Company, the complaint must be signed or authorised in writing by the Company's Managing Director, Chief Executive or a person of equivalent rank. The complaint must also the clauses of the Code alleged to have been breached.

4.16. Learned Senior Counsel refers to Clause 11 of the UCPMP 2014 which is reproduced hereunder for easy reference;

> ***11. Handling of Complaints***
>
> *11.1 Once a complaint is lodged, the process of enquiry should be taken up and completed by the ECPMP. The decision of the Committee will be made by majority. In case of conflict of interest, the member/s concerned should recuse themselves from the proceedings.*
>
> *11.2 When the Committee receives information from which it appears that a company may have contravened the Code, the managing director or chief executive officer of the company concerned will be asked to provide a complete response to the matter.*
>
> *11.3 To assist companies in ensuring that a complete response is submitted, the Committee may suggest to the Respondent company the relevant supporting material to be supplied, and it shall be the responsibility of the Respondent company to ensure that a full response is submitted within the stipulated timeframe.*
>
> *11.4 Associations may engage the services of professional auditors to facilitate better and*

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independent examination towards arriving at an informed decision.

11.5 The Respondent company shall submit its comments and supporting documents to the Committee in not more than 30 days after receipt of notice from the Committee.

11.6 The company against which the complaint is made should provide supporting evidence even if it thinks that the Code has not been breached.

11.7 The Committee should render a decision within 90 days of the receipt of complaint, and having done so, it should promptly notify the parties of its decision, the reasons thereof in writing and send it by recorded mail.

11.8 Where the Committee decides there is no breach of the Code, or that matter of complaint is not within the scope of the Code, the complainant will be so advised in writing, including advice on the appropriate forum to approach in such cases.

11.9 Where the Committee, after enquiry, decides that there is a breach of the Code, the complainant and the Respondent company will be so advised in writing, including the remedial steps that need to be taken in this regard

11.10 If no appeal is filed within the stipulated period, the decision of the ECPMP shall be final and binding, and adherence to such decision shall be a condition of continued membership of the Association. The decisions shall also be uploaded on the website of the Association and the Department of Pharmaceuticals.

4.17. Learned Senior Counsel submits that it is a procedure under Clause 11 which is required to be followed insofar as the handling of the

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complaint is concerned. Once a committee passes an order, it is required to be followed, and it is final, subject to Clause 13.4, which provides for an appeal. The review of decisions is in terms of Clause 13, which is reproduced hereunder for easy reference;

> ***13. Appeal***
>
> *13.1 If a party to the complaint is dissatisfied with the decision of the ECPMP, it may file an appeal before an Apex Committee for Pharma Marketing Practices (ACPMP) headed by the Secretary, Department of Pharmaceuticals, having a Joint Secretary and a Finance Officer dealing with the subject as its members.*
>
> *Explanation: The expression 'party to the complaint' means the complainant or the Respondent entity, and the expression 'decision of the ECPMP' includes a lack of decision thereof, or inordinate delay in reaching such a decision.*
>
> *13.2 The time limit for filing such an appeal will ordinarily be 15 days, with an additional 15 days of reasonable time delay permitted for reasons to be recorded in writing.*
>
> *13.3 The ACPMP will give a notice to both the parties, and after giving a reasonable opportunity of being heard, give a final decision or ruling within six months.*
>
> *13.4 The ACPMP may prescribe any penalties or make a reference to an appropriate agency or an authority of the Government in accordance with para-12 above.*
>
> *13.5 The decision in appeal shall be final and binding on both the parties.*

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4.18. Learned Senior Counsel's submission is that a review of the decision can only be sought by complying with Clause 13 and not otherwise. Against this background, he submits that the DOP received an anonymous complaint, accompanied by documents, on 21.05.2024. The complaint alleged unethical marketing practices and a breach of the UCPMP by the Petitioner, on the ground that it had provided travel tickets and hotel accommodation for extravagant pleasure trips under the guise of conferences held in Paris and Monaco for 30 doctors connected with medical aesthetics and anti-ageing products. Despite the anonymous nature of the complaint, the DOP forwarded it to the Ethics Committee for appropriate action.

4.19. Learned Senior Counsel submits that the OPPI released its findings on 20.09.2024 and found no irregularity in the Petitioner's sponsorship. However, the Apex Committee passed the following order:

> ***10.*** *Upon perusal of the facts and after hearing M/s. AbbVie at length, the Apex Committee is of the opinion that M/s. AbbVie has violated the Uniform Code for Pharmaceutical Marketing Practices by sponsoring foreign vacations to*

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Monaco and Paris for 30 HCPs in violation of the codal provisions. Therefore, in exercise of powers conferred by the UCPMP 2024:

*i. The Apex Committee **reprimands** M/s. AbbVie Healthcare India Pvt Ltd for unethical marketing practices. A copy of this order be published on the website in accordance with the provisions contained therein.*

ii. The Central Board of Direct Taxes (CBDT) is requested to evaluate the tax liability of M/s. AbbVie Healthcare India Pvt Ltd along with 30 HCPS and take action in accordance with the provisions of the Income Tax Act, 1961 read with the subordinate circulars issued in this regard.

iii. The National Medical Council (NMC) is requested to take action against the 30 offending HCPs as per Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002.

4.20. His submission is that, firstly, once the reprimand had been issued, no further action could be taken by any authority. Secondly, in the present matter, notices have been issued by the Registrar of Companies when there is no direction by the Committee to the ROC to issue any notices. Thirdly, that even that order could not have been passed, since the complaint was anonymous in nature.

4.21. By referring to Clause 10, Learned Senior Counsel's submission is that any complainant

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ought to identify himself and provide the complete postal address; without such identification and without such details being furnished, the complaint could not have been processed. The DOP could not have forwarded the complaint to the Ethics Committee for taking any action. The Ethics Committee should also have considered this aspect and refrained from taking any action on an anonymous complaint, so the foundational requirement was for the complainant to be identified and if the complainant was a pharmaceutical company, the complaint was required to comply with the additional requirement of being signed or authorised signed or authorised in writing by the Company's Managing Director or Chief Executive or a person of equivalent rank. In the present case, admittedly, the complaint being anonymous, neither DOP nor the Ethics Committee could have proceeded on the same.

4.22. Lastly, Learned Senior Counsel’s submission is that similar issues have been considered by the Hon'ble Delhi High Court in ***Dr. Kiran Ninad Hebbalkar & Ors. v. ACPMP*** [WP(C) No.10370/2026 and CM. APPL No.48020/2026].

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The Hon'ble Delhi High Court has, vide order dated 04.08.2026, stayed the operation of the impugned order dated 23.12.2024 insofar as it directed the initiation of action against the petitioners in that case.

4.23. Learned Senior Counsel also refers to the decision of the Hon'ble High Court of Gujarat in ***Dr Jagdish Jadavbhai Sakhiya v. Gujarat Medical Council & Anr.*** [Spl. Civil Appl. No.9821/2026 dt.27.07.2026] and submits that the Hon'ble High Court of Gujarat also observed that the company which organised the conference had merely been reprimanded, whereas the Petitioners, who were medical practitioners, had been subjected to harsher punishment. It therefore granted interim relief in the proceedings against the doctors. His submission is that the Hon'ble Delhi High Court and the Hon'ble Gujarat High Court having stayed the proceedings on those grounds would also apply to the present matter.

4.24. Sri.Udaya Holla, learned Senior Counsel, submits that the notice issued by the Ministry of Corporate Affairs on 12.05.2026 is also

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based on the order passed by the Apex Committee on 23.12.2024. In particular, paragraph (ix) of the notice makes a clear and categorical reference to the order passed by the Apex Committee for Pharma Marketing Practices in ***ACPMP No. 1 of 2024***, dated 23.12.2024, in the matter concerning the Petitioner under UCPMP 2024.

4.25. Paragraph (x) of the notice further records, with reference to the order dated 23.12.2024 passed by the Apex Committee, that the company had spent Rs. 1.91 crores on travel tickets and hotel accommodation for what were described as "extravagant pleasure trips under the guise of conferences". On this basis, he submits that the action has been taken in pursuance of the Apex Committee's order and that the Ministry of Corporate Affairs has no independent basis for taking such action. It was merely because there was a reprimand which had been issued that the Petitioner did not challenge the order of the Apex Committee, since it did not serve any purpose. However, the MCA, now acting on the order of the Apex Committee, having initiated separate proceedings, the Petitioner has no

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option but to challenge the order of the Apex Committee, as well as the notice issued by the MCA.

4.26. Learned Senior Counsel reiterates that neither the Ethics Committee nor the Apex Committee could have taken up the matter when the complaint was anonymous, there being a specific embargo. In this regard, he relies particularly on Clause 10 of UCPMP 2024, which requires the complainant to be identified and to provide full particulars. The UCPMP 2024, more particularly Clause 10, is reproduced hereunder for easy reference;

> ***10. Lodging of Complaints***
>
> *10.1 All complaints, related to the breach of the Code should be addressed to the "Ethics Committee for Pharma Marketing Practices (ECPMP)", "Chief Executive Officer", "Name of Association"*
>
> *10.2 All complaints related to an activity of breach of the Code should, to the extent practicable, be made at one time. The complaint must be made within six months of the alleged breach of the Code, with a maximum of another six months for reasonable delay that can be explained in writing. Related complaints may be clubbed together by the Ethics Committee to save time and expedite disposal.*

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10.3 Complaints must be in writing and for each case The Complainant should:

i. identify himself (whether a company, entity or an individual) with a full mailing address (email and mobile telephone no).

ii. identify the company, which is alleged to have breached the Code, including the name of any company personnel, product, or products, which are specifically involved.

iii. give the details of the activity which is alleged to be in breach of the Code, give the date of the alleged breach, clauses of the Code which are alleged to have been breached, and provide supporting evidence of the alleged breaches).

10.4 A non-refundable amount of Rs.1,000/ is to be deposited by the complainant along with the complaint. The respective association will elaborate on their website how this payment is to be made. No pseudonymous or anonymous complaints or those made without the prescribed fee will be entertained.

10.5 When the complaint is from a pharmaceutical company, the complaint must be signed or authorized in writing by the company's managing director or chief executive officer or a person at an equivalent level.

10.6 When it appears from media reports (other than letters to the editor of a publication) that a company may have breached the Code, the matter may be treated as complaint, and the committee may request the concerned publication for further information, and the source or the correspondent may be treated as the complainant.

10.7 Any complaint received by the Department of Pharmaceuticals may also be forwarded to the

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concerned Association for necessary action. In such cases, the concerned Association will take up the matter further with the complainant concerned. The Department may order a special audit for the purpose.

4.27. By referring to Clause 10.4 of the UCPMP 2024, Learned Senior Counsel's submission is that no pseudonymous or anonymous complaints or those made without the prescribed fee will be entertained. He submits that, since Clause 10.4 expressly prohibits the entertainment of pseudonymous or anonymous complaints and the complaint in the present case is admittedly anonymous, neither the Ethics Committee nor the Apex Committee nor the Ministry of Corporate Affairs can initiate action on its basis.

4.28. Learned Senior Counsel refers to the decision of the Ethics Committee, which is reproduced hereunder for easy reference;

PRELIMINARY ISSUES TO BE DECIDED AT THE THRESHOLD

Issue No. 1

Whether the two Conferences subject matter in the instant Complaint will fall under the purview of UCPMP 2024 and/or UCPMP 2014?

OPPI ECPMP Decision

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In our considered view, the allegations involving the two Conferences, which are the subject matter of the instant Complaint will be governed by UCPMP 2014, and not UCPMP 2024, which was notified on March 12,2024.

IMCAS 2024 which was held from February 1 to 3, 2024, will clearly fall within the purview of UCPMP 2014.

As regards AMWC 2024, which was held between March 26-29, 2024, the OPPI ECPMP is of the opinion that it too comes under the purview of UCPMP 2014 for the following reasons:

a. *Immediately after the issuance of UCPMP 2024, the DoP convened consultations with the pharmaceutical industry associations (OPPI, IPA and IDMA) wherein requests were made across-board by all pharma associations for a grace period for complying with UCPMP 2024. OPPI, vide its representation dated April 17, 2024, requested the DoP to inter alia provide for transition time till June, 2024.*

   We understand that it is because of the said requests that DoP Circular 1 of 2024 dated May 28, 2024 was issued. Circular 1 of 2024 provided for a separate and stand-alone prospective self-declaration format (to be signed by executive heads of the Companies) for FY 2024-25 w.e.f. April 1, 2024 through to March 31, 2025 which was to be submitted by June 30, 2024 to the respective associations i.e., OPPI, in this case. Therefore, it can be stated that since the self-declaration to be made by the Executive Heads declaring/undertaking compliance of UCPMP 2024 did not pertain to the period

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March 13-March 31, 2024 of the Financial Year 2023-24, it is not applicable for the said period during which AMWC 2024 was held.

ISSUE No. 2

Whether the OPPI ECPMP can entertain an anonymous complaint under UCPMP 2014?

OPPI ECPMP Decision

No. The instant Complaint being anonymous cannot be entertained under the provisions of UCPMP 2014.

Para 10.3 (i) of UCPMP 2014 requires the complainant to ***identify himself (whether a company or an individual) with a full mailing address*** *(fax number, if possible, mobile telephone nos.).... Para 10.4 requires deposit of a* ***non-refundable amount of Rs.1,000/-.***

While UCPMP 2014 does not expressly prescribe that an anonymous or pseudonymous complaint without the same prescribed fee of INR 1000 cannot be entertained, it essentially does expressly require disclosure of the complainant's name and deposit of fee.

ISSUES DECIDED ON MERITS

ISSUE No. 3

Whether Allergan's engagement with HCPs under PSAs is permissible under UCPMP 2014?

OPPI ECPMP Decision

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Yes. As per the interpretation of the Note to Para 7 of UCPMP 2014 read with Regulation 6.8.1 (g) of the MCI Code, 2002, a pharmaceutical company can have a relationship with HCPs within the scope of Regulation 6.8.1 (g) of the MCI Code.

Further, unlike Paras 6 and 6.2 (i) of UCPMP 2024, there were no express provision UCPMP 2014 in respect to CME or a provision prohibiting such conferences to take place in foreign locations.

Para 7.1 and Para 7.2 of UCPMP 2014 disallows travel and hospitality to an HCP respectively, unless such an HCP is a speaker at a CME/CPD. However, a proviso to Para 7 provides that "Where there is any item missing, the code of MCI as per "Indian Medical Council (Professional Conduct, etiquette and ethics) Regulation, 2002 as amended from time to time will prevail."

Regulation 6.8.1 (g) of the MCI Code does allow a medical practitioner to work for pharmaceutical companies in a wide variety of capacities- advisory capacities, as consultants, as researchers, as treating doctors, or in any ***other professional capacity.***

*"**Regulation 6.8.1**: In dealing with Pharmaceutical and allied health sector industry…*

*g) **Affiliation**: A medical practitioner may work for pharmaceutical and allied healthcare industries in advisory capacities, as consultants, as researchers, as treating doctors or in any other professional capacity. In doing so, a medical practitioner shall always:*

(i) Ensure that his professional integrity and freedom are maintained.

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(ii) Ensure that patients' interests are not compromised in any way.

(iii) Ensure that such affiliations are within the law.

(iv) Ensure that such affiliations/employments are fully transparent and disclosed."

To examine this issue further, OPPI ECPMP sought for the copies of the PSAs signed with the concerned 30 HCPs. The PSAs along with copies of CV, Questionnaire on education, relevant publication, research experience, scientific knowledge etc. of HCPs were provided by Allergan.

The OPPI ECPMP examined the PSAs and related documents and found the following:

i. That selection of the HCPs met the selection criteria. (see below under Issue No. 4)

ii. The PSAs were duly executed with individual HCPs (in their professional capacity).

iii. All PSAs have categorical post-conference commitment for the HCPs for a period of one year from the effective date of the PSAs of providing educational training Knowledge Dissemination Activity as per the requirements of Allergan, which in most cases is due by January/March 2025.

iv. Further, all PSAs have defined "Services for the HCPs, ie, to conduct Knowledge Dissemination Activity.

v. Furthermore, the 'Compensation' clause states that it includes payment of programme participation fee, along HCPs travel, hotel accommodation and legitimate meal expenses and that no other fee or compensation shall be payable to the HCPs to conduct the Knowledge Dissemination Activity.

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OPPI ECPMP is of the considered view that in the absence of any specific provision on industry engagement with HCPs in their professional capacity in UCPMP 2014, the provisions of the MCI Code would become applicable, rendering the said arrangements with the HCPs under the PSAs legally valid.

However, the OPPI ECPMP directs Allergan to furnish the information in respect of the Knowledge Dissemination to be undertaken by the 30 HCPs towards fulfilment of their obligation under the said 30 PSAs prior to March 31, 2025, within two months thereafter i.e., by May 31, 2025.

ISSUE No. 4

Whether the identification of HCPs for the two Conferences was based on sales generated for Allergan by the 30 HCPs Sales in 2023?

OPPI ECPMP Decision

OPPI ECPMP examined the 'Sales & Expense Tracker for AbbVie in India: 2024' (Annexure 3) filed with the Complaint with details in respect of 2023 AbbVie business and the collated sales data from its distributors titled 'HCP Sales data' for the year 2023 provided by Allergan to the OPPI ECPMP and find that the figures are similar if not the same.

OPPI ECPMP sought further information from Allergan on September 16, 2024 regarding internal policy/SoP on maintenance of sales records to HCPs.

Allergan provided the extracts of it's internal policy in relation to interaction with HCPs, and specifically in relation to PSAs with HCPs to the OPPI ECPMP on September 18, 2024.

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Allergan has stated that its internal policy in relation to interaction with HCPs, and specifically in relation to professional services engagement with HCPs is aligned with the Uniform Code of Pharmaceutical Practice (UCPMP) 2014 and UCPMP 2024, OPPI guidelines and directions issued from time to time, and industry practices.

The OPPI ECPMP's considered view is that the business generated by the HCPs in 2023 was not the determining criteria for the selection of the HCPs for attending the two conferences in 2024 for the following reasons:

i. The selection of HCPs was based on a defined and objective selection process. Qualifications were examined, vetted and approved by the company's Medical Affairs team Annexure B to Allergan's response dated August 26, 2024. HCP Selection Questionnaire on education, relevant publication, research experience scientific knowledge etc. based on speciality of the HCP's, examination of detailed, curriculum vitae and read with 'Levels and Tiers assigned to such HCPs basis Experience and Skills, Medical Approval for participation in the respective conferences as shared by Allergan along with it's response dated September 2, 2024

ii. All the PSAs have an express provision stating that the PSA is not intended to influence HCP's decisions or choices regarding the use of, or prescription of Allergan's products; or the HCPs are not required to demonstrate any preference in prescribing or recommending AbbVie's products as a consequence of the PSAs.

The relevant clause in the PSAs is reproduced below:

1.2.1 "The Parties acknowledge that:

(a) the consideration provided by AbbVie in the form of the compensation (including the

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payment of the monetary compensation, if any) is not conditional upon Counterparty recommending, administering or prescribing AbbVie products and has not been determined in any manner which takes into account the volume or value of any referrals or business between Counterparty and AbbVie; and

(b) nothing in this agreement is intended to (i) influence Counterparty's medical decisions or choices regarding the use of, or prescription of AbbVie's products; or (ii) cause Counterparty to demonstrate any preference in prescribing or recommending AbbVie's products as a consequence of AbbVie entering into this Agreement.

iii. The criterion for Selection and Qualifications outlined in the extracts of Allergan's Internal Policy for engaging HCPs, as shared on September 18, 2024 have the following specific clauses:

- *Individuals contracted for Professional Services must be selected based on objective criteria and should be chosen by personnel qualified to assess the expertise and ability of the individual to effectively provide the requested Professional Services.*

- *Individuals may not be selected for Professional Services as an incentive to prescribe, purchase, use, or recommend AbbVie Products.*

- *The number of individuals contracted must not be greater than the number reasonably necessary to achieve the legitimate business need*

Further, under the section on 'Legitimate Business Need', the internal policy also

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Prescribes that 'services may not be offered or given with the intent to reward. induce, or in exchange for, an explicit or implicit agreement or understanding that AbbVie Products will be used, purchased, leased, ordered, prescribed. recommended, or arranged for or provided formulary or other preferential or qualifying status.

In this context, OPPI ECPMP also wishes to state here that even Clause 7.4 of the OPPI Code 2019 permits engagement of services from HCPs and inter alia states that the members can engage HCPs as consultants and advisors for services provided certain criteria are met. The criteria inter alia include:

a) A written contract or agreement must be agreed in advance of the commencement of the services which specifies the nature of the services to be provided and the basis for payment of those services.

b) A legitimate need for the services must be clearly identified and documented in advance.

c) The criteria for selecting consultants must be directly related to the identified need and the consultants must have the expertise necessary to provide the service.

d) The hiring of the consultant to provide the relevant service must not be an inducement to prescribe, recommend, purchase, supply, and/or administer any medicine.

ISSUE NO. 5

Whether the alleged tax evasion by Allergan by claiming these expenses as marketing promotional expenses is a violation of UCPMP 2014?

OPPI ECPMP Decision

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No. There are no Income Tax (IT) related provisions in UCPMP 2014.

It is important to recognise that even under UCPMP 2024, OPPI ECPMP understands that the decision/s under the Income Tax Act, 1961 is to be taken by the IT authorities and not by the association ECPMP.

In the light of the above, Allergan should assess its liability under the Income Tax (IT) Act. 1961 and applicable Circulars thereunder [Explanation 3 to Section 37(1) and Circular 12 of 2022 in respect of Section 194 R (2) of the IT Act 1961, if applicable] and it has time till October 31, 2024 to file its return for FY 23-24.

OPPI ECPMP decides and disposes off the Anonymous Complaint dated May 21, 2024 accordingly.

4.29. Learned Senior Counsel submits that the Ethics Committee while answering Issue No.1 had come to a categorical finding that the complaint will be governed by the UCPMP 2014 and not UCPMP 2024. The UCPMP 2024 was notified on 12.03.2024, and the conferences were held prior to that date. While answering Issue No.2, the Ethics Committee has come to a categorical conclusion that an anonymous complaint cannot be entertained under the provisions of UCPMP 2014. While answering issue No.3, the Ethics Committee has categorically held that the Petitioner's engagement with HCPs under the

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PSA is permissible under UCPMP 2014. Insofar as the purposes mentioned in Regulation No.6 are concerned, Clause 6 of the UCPMP 2014 is reproduced hereunder for easy reference;

> ***6. Gifts***
>
> *6.1 No gifts, pecuniary advantages or benefits in kind may be supplied, offered or promised to persons qualified to prescribe or supply drugs, by a pharmaceutical company or any of its agents i.e. distributors, wholesalers, retailers etc.*
>
> *6.2 Gifts for the personal benefit of healthcare professionals and family members(both immediate and extended) such as tickets to entertainment events) also are not be offered or provided.*

4.30. While answering Issue No.4, the Ethics Committee came to a conclusion that the business generated by the HCPs in 2023 was not the determining criterion for the selecting the HCPs to attend the two conferences, and while answering Issue No.5, it categorically came to a conclusion that there is no tax evasion by the Petitioner in claiming the expenses of marketing promotional expenses.

4.31. Learned Senior Counsel's submission is that once the Ethics Committee has passed the

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above order, neither the Petitioner nor the anonymous complainant had sought review of the said order. Learned Senior Counsel therefore submits that the Apex Committee could not have reviewed the ECPMP's decision as a *suo motu* appeal and passed the impugned order.

4.32. Be that as it may, Learned Senior Counsel again reiterates that the order of the Apex Committee was not challenged by the Petitioner, since it was only an order of reprimand and the reprimand as such was accepted by the Petitioner. Now that the MCA has issued a notice in furtherance of the said order calling upon the Petitioner to furnish various documents and is proposing to conduct an enquiry which is not envisaged or permitted by the Ethics Committee or by the Apex Committee, the Petitioner is challenging those orders also.

4.33. He relies on the decision of the Hon'ble Apex Court in ***Union of India and Ors. v Ram Lakhan Sharma*** [(2018) 7 SCC 670],

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particularly paras 24 and 33, which have been reproduced hereunder for easy reference:

> *24.* ***The disciplinary proceedings are quasi-judicial proceedings and the Enquiry Officer is in the position of an independent adjudicator and is obliged to act fairly, impartially.*** *The authority exercising quasi-judicial power has to act in good faith without bias, in a fair and impartial manner.*
>
> *Xxx*
>
> *33.The Division Bench after elaborately considering the issue summarised the principles in para 16 which is to the following effect:*
>
> *"16. We may summarise the principles thus:*
>
> *(16)* ***The Enquiry Officer, who is in the position of a Judge shall not act as a Presenting Officer, who is in the position of a prosecutor.***
>
> *(ii) It is not necessary for the disciplinary authority to appoint a Presenting Officer in each and every inquiry. Non-appointment of a Presenting Officer, by itself will not vitiate the inquiry.*
>
> *(iii) The Enquiry Officer, with a view to arrive at the truth or to obtain clarifications, can put questions to the prosecution witnesses and also the defence witnesses. In the absence of a Presenting Officer, if the Enquiry Officer puts any questions to the prosecution witnesses to elicit the facts, he should thereafter permit the delinquent employee to cross-examine such witnesses on those clarifications.*

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(iv) If the Enquiry Officer conducts a regular examination-in-chief by leading the prosecution witnesses through the prosecution case, or puts leading questions to the departmental witnesses pregnant with answers, or cross-examines the defence witnesses or puts suggestive questions to establish the prosecution case against the employee, the Enquiry Officer acts as prosecutor thereby vitiating the inquiry.

(v) As absence of a Presenting Officer by itself will not vitiate the inquiry and it is recognised that the Enquiry Officer can put questions to any or all witnesses to elicit the truth, the question whether an Enquiry Officer acted as a Presenting Officer, will have to be decided with reference to the manner in which the evidence is let in and recorded in the inquiry.

Whether an Enquiry Officer has merely acted only as an Enquiry Officer or has also acted as a Presenting Officer depends on the facts of each case. To avoid any allegations of bias and running the risk of inquiry being declared as illegal and vitiated, the present trend appears to be to invariably appoint Presenting Officers except in simple cases. Be that as it may."

4.34. By relying on ***Ram Lakhan Sharma,*** Learned Senior Counsel submits that the Enquiry Officer, being an independent adjudicator in quasi-judicial disciplinary proceedings, is required to act fairly and impartially and cannot assume the role of a Presenting Officer.

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4.35. Learned Senior Counsel further submits that Respondent No.4 has not acted independently but has acted as per the instructions received.

4.36. He relies upon the decision of the Hon'ble Apex Court in ***Union of India v Mahendra Singh*** [2022 SCC OnLine SC 909], particularly para 15 and 16, which have been reproduced hereunder for easy reference:

> ***15.*** *A three Judge Bench of this Court in a judgment reported as Chandra Kishore Jha v. Mahavir Prasad, held as under:*
>
> *"17.....**It is a well-settled salutary principle that if a statute provides for a thing to be done in a particular manner, then it has to be done in that manner and in no other manner.** (See with advantage: Nazir Ahmad v. King Emperor I(1935-36) 63 IA 372 : AIR 1936 PC 253 (2)), Rao Shiv Bahadur Singh v. State of V.P. [AIR 1954 SC 322: 1954 SCR 1098], State of U.P. v. Singhara Singh [AIR 1964 SC 358 : (1964) 1 SCWR 57].) An election petition under the rules could only have been presented in the open court up to 16-5-1995 till 4.15 p.m. (working hours of the Court) in the manner prescribed by Rule 6 (supra) either to the Judge or the Bench as the case may be to save the period of limitation. That, however, was not done…*
>
> *16. The said principle has been followed by this Court in Cherukuri Mani v. Chief*

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> *Secretary, Government of Andhra Pradesh11 wherein this Court held as under:*
>
> *"14. **Where the law prescribes a thing to be done in a particular manner following a particular procedure, it shall be done in the same manner following the provisions of law, without deviating from the prescribed procedure**…*

4.37. By relying on ***Mahendra Singh***, Learned Senior Counsel submits that where the applicable statutory provisions or rules prescribe a particular procedure for undertaking an action, the authority concerned is bound to adhere to the procedure so prescribed and cannot act in deviation therefrom. Applying the aforesaid principle to the facts of the present case, Learned Senior Counsel contends that the impugned action, having been taken without following the procedure mandatorily prescribed under the applicable rules, is contrary to law and cannot be sustained. It is, therefore, submitted that the impugned action is liable to be set aside for non-compliance with the prescribed procedure.

4.38. He relies upon ***Sudarshan V. Biradar v. State of Karnataka*** [2023 SCC OnLine Kar 178],

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particularly para 14, which has been reproduced hereunder for easy reference:

> ***14.*** *As observed hereinabove,* ***it is trite law that the Rule making power conferred upon by the parent Act cannot travel beyond the mandate of the parent Act****. The view of mine in this regard is fortified by the judgment of the Apex Court in the case of UNION OF INDIA v. A. SRINIVASAN[1] wherein the Apex Court considers the entire spectrum of the law rendered from time to time and holds that a provision therein was contrary to the provision contained in the enabling Act. The Apex Court has held as follows:*
>
> ***"21.*** *At this stage, it is apposite to state about the rule-making powers of a delegating authority. If a rule goes beyond the rule-making power conferred by the statute, the same has to be declared ultra vires. If a rule supplants any provision for which power has not been conferred, it becomes ultra vires. The basic test is to determine and consider the source of power which is relatable to the rule.* ***Similarly, a rule must be in accord with the parent statute as it cannot travel beyond it.***
>
> ***22.*** *In this context, we may refer with profit to the decision in General Officer Commanding-in-Chief v. Subhash Chandra Yadav [(1988) 2 SCC 351 : 1988 SCC (L&S) 542 : (1988) 7 ATC 296 : AIR 1988 SC 876] wherein it has been held as follows : (SCC p. 357, para 14)*
>
> *"14. … before a rule can have the effect of a statutory provision, two conditions must be fulfilled, namely,* ***(1) it must conform to the provisions of the statute under which it is framed; and (2) it must also come within the scope and purview of the rule-making power of the authority framing the rule. If***

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either of these two conditions is not fulfilled, the rule so framed would be void."

23. *In Delhi Admn. v. Siri Ram [(2000) 5 SCC 451 : AIR 2000 SC 2143] it has been ruled that it is a well-recognised principle that the* ***conferment of rule-making power by an Act does not enable the rule-making authority to make a rule which travels beyond the scope of the enabling Act or which is inconsistent therewith or repugnant thereto.***

24. *In Sukhdev Singh v. Bhagatram Sardar Singh Raghuvanshi [(1975) 1 SCC 421 : 1975 SCC (L&S) 101 : AIR 1975 SC 1331] the Constitution Bench has held that : (SCC p. 433, para 18)*

"18. … statutory bodies cannot use the power to make rules and regulations to enlarge the powers beyond the scope intended by the legislature. *Rules and regulations made by reason of the specific power conferred by the statute to make rules and regulations establish the pattern of conduct to be followed".*

25. *In State of Karnataka v. H. Ganesh Kamath [(1983) 2 SCC 402 : 1983 SCC (Cri) 514 : AIR 1983 SC 550] it has been stated that : (SCC p. 410, para 7)*

"7. … It is a well-settled principle of interpretation of statutes that the ***conferment of rule-making power by an Act does not enable the rule-making authority to make a rule which travels beyond the scope of the enabling Act or which is inconsistent therewith or repugnant thereto."***

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26. *In Kunj Behari Lal Butail v. State of H.P. [(2000) 3 SCC 40 : AIR 2000 SC 1069] it has been ruled thus : (SCC p. 46, para 13)*

"13. It is very common for the legislature to provide for a general rule-making power to carry out the purpose of the Act. When such a power is given, ***it may be permissible to find out the object of the enactment and then see if the rules framed satisfy the test of having been so framed as to fall within the scope of such general power confirmed. If the rule-making power is not expressed in such a usual general form then it shall have to be seen if the rules made are protected by the limits prescribed by the parent Act."***

27. *In St. Johns Teachers Training Institute v. National Council for Teacher Education [(2003) 3 SCC 321 : AIR 2003 SC 1533] it has been observed that : (SCC p. 331, para 10)*

"10. A regulation is a rule or order prescribed by a superior for the management of some business and implies a rule for general course of action. Rules and regulations are all comprised in delegated legislations. ***The power to make subordinate legislation is derived from the enabling Act and it is fundamental that the delegate on whom such a power is conferred has to act within the limits of authority conferred by the Act. Rules cannot be made to supplant the provisions of the enabling Act but to supplement it. What is permitted is the delegation of ancillary or subordinate legislative functions, or, what is fictionally called, a power to fill up details."***

28. *In Global Energy Ltd. v. Central Electricity Regulatory Commission [(2009) 15 SCC 570] this Court was dealing with the validity of clauses (b) and (f) of Regulation 6-A of the*

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Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Trading Licence and Other Related Matters) Regulations, 2004. In that context, this Court expressed thus : (SCC p. 579, para 25)

"25. It is now a well-settled principle of law that the rule-making power 'for carrying out the purpose of the Act' is a general delegation. Such a general delegation may not be held to be laying down any guidelines. Thus, by reason of such a provision alone, the regulation-making power cannot be exercised so as to bring into existence substantive rights or obligations or disabilities which are not contemplated in terms of the provisions of the said Act."

29. *In the said case, while discussing further about the discretionary power, delegated legislation and the requirement of law, the Bench observed thus : (Global Energy Ltd. case [(2009) 15 SCC 570], SCC p. 589, para 73)*

"73. The image of law which flows from this framework is its neutrality and objectivity : the ability of law to put sphere of general decision-making outside the discretionary power of those wielding governmental power. Law has to provide a basic level of 'legal security' by assuring that law is knowable, dependable and shielded from excessive manipulation. In the contest of rule-making, delegated legislation should establish the structural conditions within which those processes can function effectively. The question which needs to be asked is whether delegated legislation promotes rational and accountable policy implementation. While we say so, we are not oblivious of the contours of the judicial review of the legislative Acts. But, we have made all endeavours to keep ourselves confined within the well-known parameters."

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30. *In this context, it would be apposite to refer to a passage from State of T.N. v. P. Krishnamurthy [(2006) 4 SCC 517] wherein it has been held thus : (SCC p. 529, para 16)*

"16. The court considering the validity of a subordinate legislation, will have to consider the nature, object and scheme of the enabling Act, and also the area over which power has been delegated under the Act and then decide whether the subordinate legislation conforms to the parent statute. Where a rule is directly inconsistent with a mandatory provision of the statute, then, of course, the task of the court is simple and easy. ***But where the contention is that the inconsistency or non-conformity of the rule is not with reference to any specific provision of the enabling Act, but with the object and scheme of the parent Act, the court should proceed with caution before declaring invalidity."***

31. *In Pratap Chandra Mehta v. State Bar Council of M.P. [(2011) 9 SCC 573], while discussing about the conferment of extensive meaning, it has been opined that : (SCC p. 604, para 58)*

"58. … The Court would be justified in giving the provision a purposive construction to perpetuate the object of the Act, while ensuring that such rules framed are within the field circumscribed by the parent Act. *It is also clear that it may not always be absolutely necessary to spell out guidelines for delegated legislation, when discretion is vested in such delegatee bodies. In such cases, the language of the rule framed as well as the purpose sought to be achieved, would be the relevant factors to be considered by the Court."*

(Emphasis supplied)

It is further germane to notice the judgment of the Division Bench of Madhya Pradesh High Court in the case of KALLU KHAN v. STATE OF MADHYA

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PRADESH[2], wherein the Division Bench considers the very enactment, which reads as follows:

***"15.** For the regulation of registration of births and deaths and matters connected therewith, Parliament has enacted the Registration of Births and Deaths Act, 1969. Different procedures were prescribed under Chapter III-Registration of Births and Deaths and section 13 deals with Delayed Registration of Births and Deaths. Same is reproduced hereinbelow for ready reference:—*

***"13. Delayed registration of births and deaths.** —*

(1) Any birth of which information is given to the Registrar after the expiry of the period specified therefore, but within thirty days of its occurrence, shall be registered on payment of such late fee as may be prescribed.

(2) Any birth or death of which delayed information is given to the Registrar after thirty days but within one year of its occurrence shall be registered only with the written permission of the prescribed authority and on payment of the prescribed fee and the production of an affidavit made before the notary public or any other officer authorised in this behalf by the State Government.

(3) Any birth or death which has not been registered within one year of its occurrence, shall be registered only on an order made by a Magistrate of the first class or a Presidency Magistrate after verifying the correctness of the birth or death and on payment of the prescribed fee.

(4) The provisions of this section shall without prejudice to any action that may be taken against a person for failure on his part to register any birth or death within the time specified therefore and any such birth or death may be registered during the pendency of any such action."

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16. *Certain penalties have also been prescribed under section 23 of the Act of 1969 to those persons who may fail without any reasonable cause to give information which it is his duty to give under any of the provisions of sections 8 and 9. He may face imposition of penalty as prescribed. Similarly, power to prosecute (section 25) and power to compound offences (section 24) are also provided under the frame work of Act of 1969. Therefore, it is clear that any noncompliance or omission to give information attracts penalties/penal provisions.*

17. *Act of 1969 gives power to the State Government to make rules as per section 30 of the Act of 1969. Same bears significance in the set of factual set up of present case. For ready reference section 30 of the Act of 1969 is reproduced hereinbelow:—*

"30. Power to make rules.— *(1) The State Government may, with the approval of the Central Government, by notification in the Official Gazette, make rules to carry out the purpose of this Act.*

(2) In particular, and without prejudice to the generality of the foregoing provision, such rules may provide for—

(a) the forms of registers of births and deaths required to be kept under this Act;

(b) the period within which and the form and the manner in which information should be given to the Registrar under section 8'

(c) the period within which and the manner in which births and deaths shall be notified under sub-section (1) of section 10;

(d) the person from whom and the form in which a certificate as to cause of death shall be obtained;

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(e) the particulars of which extracts may be given under section 12;

(f) the authority which may grant permission for registration of a birth or death under sub-section (2) of section 13;

(g) the fees payable for registration made under section 13;

(h) the submission of reports by the Chief Registrar under subsection (4) of section 4;

(i) the search of birth and death registers and the fees payable for such search and for the grant of extracts from the registers;

(j) the forms in which and the intervals at which the returns and the statistical report under section 19 shall be furnished and published;

(k) the custody, production and transfer of the registers and other records kept by Registrars;

(1) The correction of errors and the cancellation of entries in the register of births and deaths;

(m) any other matter which has to be, or may be, prescribed. (3) Every rule made under this Act shall be laid, as soon as may be after it is made, before the State Legislature."

18. <u>If section 13(3) and 30(f)(g)</u> are seen in juxtaposition then it makes the legislative intent clear that by section 13(3) of the Act of 1969, Parliament has given the authority to Judicial Magistrate First Class (or Presidency Magistrate) to verify the correctness of the birth or death if not registered within one year of its occurrence and understandably so because after one year dispute and

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discrepancies may occur in respect of date of birth or death of a person.

19. *As per section 15 of Juvenile Justice (Protection and Care of Children) Act, 2015; wherein, person above 16 years but below 18 years if commits heinous offence then after due procedure as prescribed may be tried in Children's Court rather than before Juvenile Justice Board. Age of prosecutrix assumes importance in matters of POCSO Act and to avoid all these complications, section 13 of Act of 1969 provides mechanism for verification of claim regarding correctness of birth or death beyond one year of its occurrence, before the Judicial Magistrate First Class only and not before the Executive Magistrate.*

20. Perusal of section 30 of Act of 1969 reveals that authority/power to make rules to the State Government has been given by the Parliament in respect of section 13(2) and in respect of fees payable for registration ismade under section 13. But very specifically, section 13(3) is not under the purview of Rule Making Authority of State Government. In fact, sub-section (2) of section 30 starts with following words:— "In particular, and without prejudice to the generality of the foregoing provision, such rules may provide for", therefore, State Government can make rules as per the letter and spirit of section 30 and 13(3) of Act of 1969 only and cannot go beyond that.

21. *In the State of Madhya Pradesh, in exercise of powers conferred by section 30 of the act of 1969, State Government made rules namely M.P. Registration of Births and Deaths Rules, 1999. Earlier rules with the nomenclature Registration of Births and Deaths M.P. Rules, 1973 were repealed by the*

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Rules of 1999, therefore, at present Rules of 1999 are in existence.

22. *Here, Rule 9 is worth consideration because it gives authority for delayed registration and fee payable. Rule 9 of Rules of 1999 is reproduced hereinbelow for ready reference:—*

"9. Authority for delayed registration and fee payable therefore. *— (1) Any birth or death of Which information is given to the Registrar after the expiry of the period specified in Rule 5 but within thirty days of its occurrence, shall be registered on payment of a late fee of rupees two.*
(2) Any birth or death of which information is given to the Registrar after thirty days but within one year of its occurrence, shall be registered only with the written permission of the office authorised in this behalf and on payment of a late fee of rupees five and on the officer authorised in this behalf by the State Government.

(3) Any birth or death which has not been registered within one year of its occurrence, shallbe registered only on an order of a Magistrate of the first class or an Executive Magistrate and on payment of a late fee of rupees ten."

23. *Perusal of Rule 9(3) indicates that with Magistrate of First Class (apparently JMFC),* ***the authority of Executive Magistrate has also been inserted which if is read in consonance with section 13(3) and section 30(2)(f) and (g) of Act of 1969 then it gives an impression that Act no where provides any authority to Executive Magistrate to deal with delayed registration, but Rules included him.***

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28. Rule 13(3) in specific terms gives authority to Magistrate of First Class (or a Presidency Magistrate) to exercise authority for delayed registration but nowhere gives any authority to Executive Magistrate. Even otherwise, spirit of section 13(3) indicates that correctness of birth or death is to be made after due verification by JMFC and that verification can only be made by way of a judicial proceeding, may be it a summery proceeding, but certainly as per recognized principles of adjudication.

29. *JMFC has all the necessary tools including to call witnesses, requisition of record from any public authority, compelling the attendance of officers/witnesses and appreciating the rival submissions and evidence beside other tools of adjudication. Executive Magistrate is not equipped with such adjudicatory tools including the authority as referred above. Therefore, understandably, legislative intent under section 13(3) was to confer jurisdiction over JMFC only and not otherwise.*

30. Careful reading of section 30 of Act of 1969 if seen in juxtaposition to section 20 of the General Clauses Act, 1897, it makes the case further clear that State Government could not have framed Rules contrary to the directions contained in section 30 of Act of 1969. In other words, the Attempt cannot exceed the Authority. *Section 20 of General Clauses Act, 1897 is reproduced hereinbelow for ready reference:—*

"Section 20. Construction of notifications etc., issued under enactments. *— Where, by any Central Act or regulation, a power to issue any notification, order, scheme, rule, form or bye-law is conferred, then expressions*

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used in the notification, order, scheme, rule, form, or byelaw, if it is made after the commencement of this act, shall unless there is anything repugnant in the subject or context, have the same respective meaning as in the Act or Regulation conferring the power."

(Emphasis supplied)

The Apex Court in a judgment rendered on 16.12.2022 in the case of KERALA STATE ELECTRICITY BOARD v. THOMAS JOSEPH[3] has held as follows:

***"66.** At this stage, it is apposite to state about the rule making powers of a delegating authority. **If a rule goes beyond the rule making power conferred by the statute, the same has to be declared invalid. If a rule supplants any provision for which power has not been conferred, it becomes invalid.** The basic test is to determine and consider the source of power, which is relatable to the rule. Similarly, a rule must be in accord with the parent statute, as it cannot travel beyond it.*

67.** Delegated legislation has come to stay as a necessary component of the modern administrative process. Therefore, the question today is not whether there ought to be delegated legislation or not, but that it should operate under proper controls so that it may be ensured that the power given to the Administration is exercised properly; the benefits of the institution may be utilised, but its disadvantages minimised. **The doctrine of ultra vires envisages that a rule making body must function within the purview of the rule making authority conferred on it by the parent Act. As the body making rules or regulations has no inherent power of its own to make rules, but derives such power only from the statute,

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it has to necessarily function within the purview of the statute. <u>Delegated legislation should not travel beyond the purview of the parent Act. If it does, it is ultra vires and cannot be given any effect.</u> *Ultra vires may arise in several ways; there may be simple excess of power over what is conferred by the parent Act; delegated legislation may be inconsistent with the provisions of the parent Act or statute law or the general law; there may be non-compliance with the procedural requirement as laid down in the parent Act. It is the function of the courts to keep all authorities within the confines of the law by supplying the doctrine of ultra vires.*

68. *In this context, we may refer with profit to the decision in General Officer Commanding-in-Chief v. Dr. Subhash Chandra Yadav, (1988) 2 SCC 351, wherein it has been held as follows:—*

"14. ....before a rule can have the effect of a statutory provision, two conditions must be fulfilled, namely, (1) it must conform to the provisions of the statute under which it is framed; and (2) it must also come within the scope and purview of the rule making power of the authority framing the rule. If either of these two conditions is not fulfilled, the rule so framed would be void....."

69. *In Additional District Magistrate (Rev.) Delhi Admn. v. Siri Ram, (2000) 5 SCC 451, it has been ruled that it is a well recognised principle that the conferment of rule-making power by an Act does not enable the rule-making authority to make a rule which travels beyond the scope of the enabling Act or which is inconsistent therewith or repugnant thereto.*

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70. *In Sukhdev Singh v. Bhagatram Sardar Singh Raghuvanshi, (1975) 1 SCC 421, the Constitution Bench has held that:*
*"**18**…..These statutory bodies cannot use the power to make rules and regulations to enlarge the powers beyond the scope intended by the Legislature. Rules and regulations made by reason of the specific power conferred by the statute to make rules and regulations establish the pattern of conduct to be followed. …"*

71. *In State of Karnataka v. H. Ganesh Kamath, (1983) 2 SCC 402, it has been stated that:*

*"**7.** …..It is a well-settled principle of interpretation of statutes that the conferment of rule-making power by an Act does not enable the rule-making authority to make a rule which travels beyond the scope of the enabling Act or which is inconsistent therewith or repugnant thereto."*

72. *In Kunj Behari Lal Butail v. State of H.P., (2000) 3 SCC 40, it has been ruled thus:—*

*"**13.** It is very common for the legislature to provide for a general rule-making power to carry out the purpose of the Act. When such a power is given, it may be permissible to find out the object of the enactment and then see if the rules framed satisfy the test of having been so framed as to fall within the scope of such general power confirmed. If the rule-making power is not expressed in such a usual general form then it shall have to be seen if the rules made are protected by the limits prescribed by the parent act……."*

73. *In St. Johns Teachers Training Institute v. Regional Director, National Council for Teacher Education, (2003) 3 SCC 321, it has been observed that:*

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*"**10.** A regulation is a rule or order prescribed by a superior for the management of some business and implies a rule for general course of action. Rules and regulations are all comprised in delegated legislation. The power to make subordinate legislation is derived from the enabling Act and it is fundamental that the delegate on whom such a power is conferred has to act within the limits of authority conferred by the Act. Rules cannot be made to supplant the provisions of the enabling Act but to supplement it. What is permitted is the delegation of ancillary or subordinate legislative functions, or, what is fictionally called, a power to fill up details….."*

***74.** In Global Energy Limited v. Central Electricity Regulatory Commission, (2009) 15 SCC 570, this Court was dealing with the validity of clauses (b) and (f) of Regulation 6-A of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Trading Licence and other Related Matters) Regulations, 2004. In that context, this Court expressed as under:—*

*"**25.** It is now a well-settled principle of law that the rule-making power "for carrying out the purpose of the Act" is a general delegation. Such a general delegation may not be held to be laying down any guidelines. Thus, by reason of such a provision alone, the regulation-making power cannot be exercised so as to bring into existence substantive rights or obligations or disabilities which are not contemplated in terms of the provisions of the said Act.*

***75.** In the aforementioned case, while discussing further about the discretionary power, delegated legislation and the requirement of law, the Bench observed thus:*

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*"**73.** The image of law which flows from this framework is its neutrality and objectivity : the ability of law to put sphere of general decision-making outside the discretionary power of those wielding governmental power. Law has to provide a basic level of "legal security" by assuring that law is knowable, dependable and shielded from excessive manipulation. In the contest of rule-making, delegated legislation should establish the structural conditions within which those processes can function effectively. The question which needs to be asked is whether delegated legislation promotes rational and accountable policy implementation. While we say so, we are not oblivious of the contours of the judicial review of the legislative Acts. But, we have made all endeavours to keep ourselves confined within the well-known parameters."*

***76.** In this context, it would be apposite to refer to a passage from State of T.N. v. P. Krishnamurthy, (2006) 4 SCC 517 wherein it has been held thus:—*

*"**16.** The court considering the validity of a subordinate legislation, will have to consider the nature, object and scheme of the enabling Act, and also the area over which power has been delegated under the Act and then decide whether the subordinate legislation conforms to the parent statute. Where a rule is directly inconsistent with a mandatory provision of the statute, then, of course, the task of the court is simple and easy. But where the contention is that the inconsistency or nonconformity of the rule is not with reference to any specific provision of the enabling Act, but with the object and scheme of the parent Act, the court should proceed with caution before declaring invalidity."*

***77.** In Pratap Chandra Mehta v. State Bar Council of Madhya Pradesh, (2011) 9 SCC 573,*

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while discussing about the conferment of extensive meaning, it has been opined that:

*"**58.** ….The Court would be justified in giving the provision a purposive construction to perpetuate the object of the Act, while ensuring that such rules framed are within the field circumscribed by the parent Act. It is also clear that it may not always be absolutely necessary to spell out guidelines for delegated legislation, when discretion is vested in such delegatee bodies. In such cases, the language of the rule framed as well as the purpose sought to be achieved, would be the relevant factors to be considered by the Court."*

***78.** In Dr. Mahachandra Prasad Singh v. Chairman, Bihar Legislative Council, (2004) 8 SCC 747, this Court explained the concept of delegated legislation thus:*

*"**13.** …..Underlying the concept of delegated legislation is the basic principle that the legislature delegates because it cannot directly exert its will in every detail. All it can in practice do is to lay down the outline.*

This means that the intention of the legislature, as indicated in the outline (that is the enabling Act), must be the prime guide to the meaning of delegated legislation and the extent of the power to make it. The true extent of the power governs the legal meaning of the delegated legislation. The delegate is not intended to travel wider than the object of the legislature. The delegate's function is to serve and promote that object, while at all times remaining true to it. That is the rule of primary intention. Power delegated by an enactment does not enable the authority by regulations to extend the scope or general operation of the enactment but is strictly ancillary. It will authorise the provision of subsidiary means of carrying into effect what is enacted in the

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statute itself and will cover what is incidental to the execution of its specific provision. But such a power will not support attempts to widen the purposes of the Act, to add new and different means of carrying them out or to depart from or vary its ends. (See Section 59 in chapter "Delegated Legislation" in Francis Bennion's Statutory Interpretation, 3rd Edn.)……."

79. *In McEldowney v. Forde, [1971] A.C. 632 : [1969] 3 WLR 179, Lord Diplock explained the role of the Courts in this area in the following words:*

"The division of functions between Parliament and the courts as respects legislation is clear. Parliament makes laws and can delegate part of its power to do so to some subordinate authority. The courts construe laws whether made by Parliament directly or by a subordinate authority acting under delegated legislative powers. The view of the courts as to whether particular statutory or subordinate legislation promotes or hinders the common weal is irrelevant. The decision of the courts as to what the words used in the statutory or subordinate legislation mean is decisive. Where the validity of subordinate legislation made pursuant to powers delegated by Act of Parliament to a subordinate authority is challenged, the court has a threefold task : first, to determine the meaning of the words used in the Act of Parliament itself to describe the subordinate legislation which that authority is authorised to make, secondly, to determine the meaning of the subordinate legislation itself and finally to decide whether the subordinate legislation complies with that description."

80. A delegated power to legislate by making rules or regulations 'for carrying out the purpose of the Act', is a general

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delegation without laying down any guidelines; it cannot be exercised so as to bring into existence the substantive rights or obligations or disabilities not contemplated by the provisions of the Act, 2003 itself*. The Court, considering the validity of a subordinate legislation, will have to consider the nature, object and scheme of the enabling Act, and also the area over which power as has been delegated under the Act and then decide whether the subordinate legislation conforms to the parent statute.*

81. It is important to keep in mind that where a rule or regulation is directly inconsistent with a mandatory provision of the statute, then, of course, the task of the Court is simple and easy*. But where the contention is that the inconsistency or non-conformity of the rule is not with reference to any specific provision of the enabling Act, but with the object and scheme of the parent Act, the Court should proceed with caution before declaring the same to be invalid.*

82. Rules or regulation cannot be made to supplant the provisions of the enabling Act but to supplement it. What is permitted is the delegation of ancillary or subordinating legislative functions, or, what is fictionally called, a power to fill up details.

83. *A Constitution Bench of this Court in the case of Sukhdev Singh (supra), while explaining the fine distinction between a rule and regulation and also the power of the delegate authority to frame such rules or regulations has made few very important observations which we must take notice of and quote as under:*

"11. The contentions on behalf of the employees are these. Regulations are

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made under the statute. The origin and source of the power to make regulations is statutory. Regulations are self-binding in character. Regulations have the force of law inasmuch as the statutory authorities have no right to make any departure from the regulations.

12. Rules, regulations, schemes, bye-laws, orders made under statutory powers are all comprised in delegated legislation. The need for delegated legislation is that statutory rules are framed with care and minuteness when the statutory authority making the rules is after the coming into force of the Act in a better position to adapt the Act to special circumstances. Delegated legislation permits utilisation of experience and consultation with interests affected by the practical operation of statutes.

xxxxxxxxx

14. *Subordinate legislation is made by a person or body by virtue of the powers conferred by a statute. Bylaws are made in the main by local authorities or similar bodies or by statutory or other undertakings for regulating the conduct of persons within their areas or resorting to their undertakings. Regulations may determine the class of cases in which the exercise of the statutory power by any such authority constitutes the making of statutory rules.*

15. *The words "rules" and "regulations" are used in an Act to limit the power of the statutory authority. The powers of statutory bodies are derived, controlled and restricted by the statutes which create them and the rules and regulations framed thereunder. Any action of such bodies in excess of their power or in violation of the restrictions placed on their*

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powers is ultra vires. The reason is that it goes to the root of the power of such corporations and the declaration of nullity is the only relief that is granted to the aggrieved party.

18. *The authority of a statutory body or public administrative body or agency ordinarily includes the power to make or adopt rules and regulations with respect to matters within the province of such body provided such rules and regulations are not inconsistent with the relevant law. In America a "public agency" has been defined as an agency endowed with governmental or public functions. It has been held that the authority to act with the sanction of Government behind it determines whether or not a governmental agency exists. The rules and regulations comprise those actions of the statutory or public bodies in which the legislative element predominates.* ***These statutory bodies cannot use the power to make rules and regulations to enlarge the powers beyond the scope intended by the Legislature. Rules and regulations made by reason of the specific power conferred on the statute to make rules and regulations establish the pattern of conduct to be followed. Rules are duly made relative to the subject-matter on which the statutory bodies act subordinate to the terms of the statute under which they are promulgated. Regulations are in aid of the enforcement of the provisions of the statute. Rules and regulations have been distinguished from orders or determination of statutory bodies in the sense that the orders or determination are actions in which there is more of the judicial function and which deal with a particular present situation. Rules and regulations on the other hand are actions in which the legislative element predominates.***

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(Emphasis in original)

> *33. The Apex Court again considers the entire spectrum of the law and lays down that Statutory Bodies cannot use the power to make rules to enlarge the powers beyond the scope intended by the legislature. Any action of the State in excess of their power would be declared a nullity on the ground of it being ultra vires the Act.*

4.39. By relying on ***Sudarshan V. Biradar***, Learned Senior Counsel submits that, in the absence of any recommendation or direction to Respondent No. 4, the latter has exceeded its authority and cannot conduct an inquiry. It is contended that any action taken by the State authority in exercise of a power not conferred by the parent enactment, would be ultra vires and legally unsustainable. Applying the aforesaid principle to the notice issued by the Ministry of Corporate Affairs on 12.05.2026, learned Senior Counsel submits that the notice derives its authority from the Apex Committee's order dated 23.12.2024. Since there is a clear and categorical reference made to the order passed by the Apex Committee for Pharma Marketing Practices in ***ACPMP No.1 of 2024 dated 23.12.2024*** in the matter of the Petitioner

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under the UCPMP 2024 at para (ix), and since the order merely reprimanded the Petitioner and did not direct an inquiry, he submits that the notice is without jurisdiction and liable to be set aside.

4.40. Learned Senior Counsel's submission therefore is that the above petition is required to be allowed and the reliefs sought for granted.

5. Smt.Nayanatara.B.G., learned counsel appearing for Respondents No.1, 2 and 4 submits that:

5.1. The impugned order dated 23.12.2024 at Annexure-A of the Apex Committee has neither been passed in the Review jurisdiction nor in the Appellate jurisdiction.

5.2. Learned Counsel for Respondents No.1, 2 and 4 submits that the entire manner in which the matter was proceeded with is different. Her contention is that a complaint was received by the Department of Pharmaceuticals (DOP) and not addressed to the Ethics Committee or the UCPMP. The complaint was forwarded by the DOP to the Ethics Committee as also the Apex Committee to take action, and in that

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background, she submits that Clause 10 of either the UCPMP of 2014 or UCPMP of 2024 would not be applicable to the present facts and situation.

5.3. Learned Counsel for Respondents No.1, 2 and 4 also refers to Rule 9 of the UCPMP 2024, which is reproduced hereunder for easy reference;

> ***9. Ethics Committee for Pharma Marketing Practices***
>
> *9.1 All the Indian Pharmaceutical Associations will upload the UCPMP on their website along with the detailed procedure for lodging of complaints which will be linked to the UCPMP portal of the Department of Pharmaceuticals.*
>
> *9.2 There will be a committee for handling complaints named as "Ethics Committee for Pharma Marketing Practices (ECPMP)" in each Association, chaired by its Chief Executive Officer. The Committee will have three to five members, and its composition will be approved by the Board of the Association and prominently placed on its website.*
>
> *9.3 If a complaint received in a particular association is not concerned with its members, the receiving association will input the abstract of the complaint and will duly transfer the complaint to such other association where the Respondent company is a member of the other association.*
>
> *9.4 In case of companies, who are not members of any Association, or member of more than one Association, the complaint should ordinarily be handled by the Pharma Industry Association to*

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whom the complainant has addressed the complaint; and where necessary, it will seek guidance from the Department of Pharmaceuticals.

9.5 All pharma associations will share on their website the details of complaints received i.e. the nature of complaint, the company against whom the complaint has been made, the present status of the complaint, including action taken by the ECPMP, and such details should remain uploaded for five years. Such details should also be uploaded on the UCPMP portal of the Department of Pharmaceuticals.

5.4. By relying on Rule 9, Learned Counsel for Respondents No.1, 2 and 4 submits that it relates to complaints received by the Association and not the DOP, the ECPMP in each Association, chaired by its Chief Executive Officer, considers complaints received by that Association.

5.5. Learned Counsel for Respondents No.1, 2 and 4 refers to Rule 10 of UCPMP 2024, which is reproduced hereunder for easy reference:

10. Lodging of Complaints

10.1 All complaints, related to the breach of the Code should be addressed to the "Ethics Committee for Pharma Marketing Practices (ECPMP)", "Chief Executive Officer". "Name of Association".

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10.2 All complaints related to an activity of breach of the Code should, to the extent practicable, be made at one time. The complaint must be made within six months of the alleged breach of the Code, with a maximum of another six months for reasonable delay can be explained in writing. Related complaints may be clubbed together by the Ethics Committee to save time and expedite disposal.

10.3 Complaints must be in writing and for each case The Complainant should:

i. identify himself (whether a company, entity or an individual) with a full mailing address (email and mobile telephone no).

ii. identify the company, which is alleged to have breached the Code, including the name of any company personnel, product, or products, which are specifically involved.

iii. give the details of the activity which is alleged to be in breach of the Code, give the date of the alleged breach, clauses of the Code which are alleged to have been breached, and provide supporting evidence of the alleged breach(es).

10.4 A non-refundable amount of Rs.1,000/- is to be deposited by the complainant along with the complaint. The respective association will elaborate on their website how the payment is to be made. this. No pseudonymous or anonymous complaints or those made without the prescribed fee will be entertained.

10.5. When the complaint is from a pharmaceutical company, the complaint must be signed or authorized in writing by the company's managing director or chief executive officer or a person at an equivalent level.

10.6 When it appears from media reports (other than letters to the editor of a publication) that a

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company may have breached the Code, the matter may be treated as complaint, and the committee may request the concerned publication for further information, and the source or the correspondent may be treated as the complainant.

10.7 ***Any complaint received by the Department of Pharmaceuticals may also be forwarded to the concerned Association for necessary action. In such cases, the concerned Association will take up the matter further with the complainant concerned. The Department may order a special audit for the purpose.***

5.6. Relying on Rule 10, Learned Counsel for Respondents No.1, 2 and 4 submits that this Rule applies to complaints relating to breach of the Code which are addressed to the Ethics Committee and it is only with regard to those complaints that the complainant is required to be identified and to provide a full mailing address, and Clause 10.4 expressly prohibits the entertainment of pseudonymous or anonymous complaints or complaints made without the prescribed fee.

5.7. Learned Counsel for Respondent No.1, 2 and 4's submission is that the procedure for lodging of complaints under the UCPMP 2024 in terms

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of Rule 10 is for complaints lodged under the UCPMP to the Ethics Committee and the same cannot be extended to a complaint received by the DOP under Clause 10.7.

5.8. Learned Counsel for Respondents No.1, 2 and 4 refers to the order dated 24.08.2024 passed by the Section Officer (Policy) of the Department of Pharmaceuticals, Ministry of Chemicals and Fertilisers, Government of India, which clearly mentions that the Department of Pharmaceuticals vide OM dated 25.06.2024 had referred a complaint to the OPPI against its member, the Petitioner herein, as per para 10.7 of UCPMP 2024.

5.9. The OPPI had subsequently sought guidance on the matter from the DOP, stating that the complaint was anonymous. The DOP, vide its letter dated 11.08.2024, invited the concerned stakeholders, viz., the Ethics Committee of OPPI and the Petitioner, to appear before the Apex Committee under UCPMP 2024. On that day, though the Director General of OPPI had appeared with another member of the Ethics Committee, the Managing Director of the

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Petitioner did not attend the meeting. The Director General of OPPI had requested more time to receive input from the Petitioner, and the Apex Committee had also decided, in accordance with para 10.7, to conduct a Special Audit of the Petitioner, whose office is located in Bangalore, and an Internal Audit Team of the DOP was directed to conduct the Special Audit.

5.10. Learned Counsel for Respondent No.1, 2 and 4's submission is that the aspect of anonymity was considered by the DOP and the DOP, having considered the seriousness of the issue, had referred the matter to the Apex Committee in terms of Clause 10.7, which has been extracted above. Learned Counsel for Respondents No.1, 2 and 4 submits that in terms of Clause 10.7, any complaint received by the DOP may also be forwarded to the concerned Association for necessary action and the Department may order a Special Audit for the purpose.

5.11. Learned Counsel for Respondents No.1, 2 and 4 submits that apart from forwarding the complaint to the concerned Association for

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necessary action, the DOP also ordered a Special Audit on 02.09.2024 in terms of Annexure-M, directing the Petitioner to furnish the various documents indicated therein and informed the Petitioner that an internal audit team had been constituted by the DOP to conduct the special audit of the Petitioner. The audit team would be headed by Dr Ranjitha from the Office of the Chief Controller of Accounts, Department of Pharmaceuticals, Ministry of Chemicals and Fertilisers. The Petitioner was informed that some members of the audit team would visit the Petitioner to collect and verify the various documents as stated therein.

5.12. Learned Counsel for Respondents No.1, 2 and 4 submits that the said letter of 02.09.2024 had been received by the Petitioner, the Petitioner had replied on 04.09.2024 stating that all the necessary documents and information had been supplied to the OPPI, the information sought in the Special Audit Letter went beyond the initial request received from the OPPI and the allegations mentioned in the anonymous complaint and on that basis it was contended

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that the Petitioner had indicated that it was under no obligation to share the supporting documents requested by the Special Audit Team. Nevertheless, it furnished all the requested documents and details. A clarification was sought from DOP regarding the audit process and its procedural aspects by requesting a meeting with DOP.

5.13. Learned Counsel for Respondents No.1, 2 and 4 submits that thereafter various audit memos have been issued viz., Audit Memos No.1, 2, 3, 4 and 5 on 05.09.2024. The said Audit Memos No.1 to 5 were replied to by the Petitioner on 06.09.2024, placing its comments on record. By way of letter dated 09.09.2024, the Senior Accounts Officer had sought certain further details from the Petitioner and also issued Audit Memos No.6 and 7 on 09.09.2024. By way of Audit Memo No.6, a specific query was raised to provide the details of the deductions/rebates claimed while calculating the applicable Income Tax for the Financial Year 2022-23 to 2023-24, and by way of Audit Memo No.7, a specific query was raised regarding the list of medical devices and drugs sold by the Petitioner,

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breakdown of sales expenses, categorization of the medical devices, association of the Petitioner with IMCAS 2024 and AMWC 2024, the training imparted by the doctors who attended IMCAS 2024 and AMWC 2024.

5.14. Learned Counsel for Respondent Nos. 1, 2 and 4 submits that the Petitioner replied to these details and audit memos on 10.09.2024; thereafter, a corrigendum to Audit Memo No. 7 and Audit Memo No. 8 was issued on 10.09.2024, which the Petitioner replied to on 12.09.2024. She submits that along with the said reply, various documents and emails were enclosed with the reply.

5.15. Learned Counsel for Respondents No.1, 2 and 4 draws a distinction between the order of the Ethics Committee and the Special Audit Report. Though these aspects were going on in parallel, the Special Audit was being conducted by the audit team appointed by the DOP. The Ethics Committee was hearing the matter in respect of the complaint, in furtherance of which the Ethics Committee passed its order on 20.09.2024. The Special Audit Committee also

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submitted a separate report on 20.09.2024 to the Secretary, DOP.

5.16. By referring to the Special Audit Report, Learned Counsel for Respondents No.1, 2 and 4 submits that the main objective of the Special Audit was to fact-check and scrutinize the veracity of the allegations made against the Petitioner in the complaint received by the DO and referred to the OPPI under para 10.7 of the UCPMP 2024.

5.17. Learned Counsel for Respondents No.1, 2 and 4 submits that the report considered the contravention of the Guidelines of the UCPMP by sending 30 doctors to luxury destinations like Paris and Monaco in early 2024 by Business Class, involving stays in 5-star hotels, even though they were not speakers at the conferences. The Petitioner claimed these expenses as marketing costs, and the doctors received untaxed benefits, which were passed on to the patients who face higher treatment costs.

5.18. Learned Counsel for Respondents No.1, 2 and 4 submitted that the audit report is a detailed

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report of nearly 20 pages by virtue of which all the data was fact-checked, and the final the report concluded that the Petitioner had included the expenditure on Continuing Medical Education (CME)/Continuing Professional Development (CPD) for income-tax purposes for FY 2022-23, and that no HCP had served as a speaker at IMCAS Paris 2024 or AMWC Monaco 2024. Learned Counsel for Respondents No.1, 2 and 4 therefore submits that there being a violation of the UCPMP and the IMC regulations, action was required to be taken.

5.19. This Special Audit Report had been forwarded to the Petitioner, who responded to it on 12.10.2024. In the reply, it was again reiterated by the Petitioner that an anonymous complaint could not be looked into by the DOP. The UCPMP 2024 was not applicable to IMCAS Paris, which was held from 01.02.2024 to 03.02.2024, before UCPMP 2024 was notified on 12.03.2024. AMWC, Monaco was held from 26.03.2024 to 29.03.2024, shortly after the notification. Hence, the Petitioner had contended that there ought to be a transitional grace period up to 30.06.2024 since all the

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bookings, etc. had been made prior to UCPMP 2024 coming into force. It was denied that there was any contravention of the UCPMP 2014, etc.

5.20. In furtherance of the said reply, the Apex Committee convened a meeting on 21.10.2024, at which representatives of the Petitioner, the Director General of OPPI and officials of the Department of Pharmaceuticals were present. Upon examination of the documents and the submissions made, the Committee issued its order dated 07.11.2024. Upon examining the documents, the Apex Committee formed the opinion that there were apparent breaches of para 7.1 and 7.2 of UCPMP 2014, para 6.2.1, 8.2 and 8.3 of UCPMP 2024 and para 6.8.1 (b) and (c) of the IMC Regulations, 2002 and directed the Petitioner to offer comprehensive assistance to underprivileged patients who were receiving treatment at Central Army Hospitals (including life-saving medications or surgeries) for an amount equivalent to the violations confirmed by the Special Audit Team within 12 months from the date of the order.

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5.21. Learned Counsel for Respondents No.1, 2 and 4 submits that the Petitioner responded to the said order on 10.12.2024, denying any violation and rejecting the proposed remedial action. Her submission, therefore, is that it is not only the order of the Ethics Committee; the order of the Apex Committee is also relevant.

5.22. Insofar as the Apex Committee is concerned, Learned Counsel for Respondents No.1, 2 and 4 submits that in terms of Clause 10.7 of UCPMP 2024, any complaint received by the DOP could be forwarded to the concerned association for necessary action and in such cases, the concerned association would take up the matter further with the complainant concerned. However, Learned Counsel for Respondents No.1, 2 and 4 submits that Clause 10.7 also provides for the department to order a Special Audit for the purpose, which is what was ordered and on the basis of the report of the Special Audit Committee, the matter was taken up by the Apex Committee. Learned Counsel for Respondents No.1, 2 and 4 refers to Section 206 of the Companies Act 2013, which is reproduced hereunder for easy reference:

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206. Power to call for information, inspect books and conduct inquiries.—

(1)*Where on a scrutiny of any document filed by a company or on any information received by him, the Registrar is of the opinion that any further information or explanation or any further documents relating to the company is necessary, he may by a written notice require the company—*

(a)*to furnish in writing such information or explanation; or*

(b)*to produce such documents, within such reasonable time, as may be specified in the notice.*

(2)*On the receipt of a notice under sub-section (1), it shall be the duty of the company and of its officers concerned to furnish such information or explanation to the best of their knowledge and power and to produce the documents to the Registrar within the time specified or extended by the Registrar:*

Provided that where such information or explanation relates to any past period, the officers who had been in the employment of the company for such period, if so called upon by the Registrar through a notice served on them in writing, shall also furnish such information or explanation to the best of their knowledge.

(3)*If no information or explanation is furnished to the Registrar within the time specified under subsection (1) or if the Registrar on an examination of the documents furnished is of the opinion that the information or explanation furnished is inadequate or if the Registrar is satisfied*

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on a scrutiny of the documents furnished that an unsatisfactory state of affairs exists in the company and does not disclose a full and fair statement of the information required, he may, by another written notice, call on the company to produce for his inspection such further books of account, books, papers and explanations as he may require at such place and at such time as he may specify in the notice:

Provided that before any notice is served under this sub-section, the Registrar shall record his reasons in writing for issuing such notice.

(4)*If the Registrar is satisfied on the basis of information available with or furnished to him or on a representation made to him by any person that the business of a company is being carried on for a fraudulent or unlawful purpose or not in compliance with the provisions of this Act or if the grievances of investors are not being addressed, the Registrar may, after informing the company of the allegations made against it by a written order, call on the company to furnish in writing any information or explanation on matters specified in the order within such time as he may specify therein and carry out such inquiry as he deems fit after providing the company a reasonable opportunity of being heard:*

Provided that the Central Government may, if it is satisfied that the circumstances so warrant, direct the Registrar or an inspector appointed by it for the purpose to carry out the inquiry under this sub-section:

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Provided further that where business of a company has been or is being carried on for a fraudulent or unlawful purpose, every officer of the company who is in default shall be punishable for fraud in the manner as provided in section 447.

(5)*Without prejudice to the foregoing provisions of this section, the Central Government may, if it is satisfied that the circumstances so warrant, direct inspection of books and papers of a company by an inspector appointed by it for the purpose.*

(6)*The Central Government may, having regard to the circumstances by general or special order, authorise any statutory authority to carry out the inspection of books of account of a company or class of companies.*

(7)*If a company fails to furnish any information or explanation or produce any document required under this section, the company and every officer of the company, who is in default shall be punishable with a fine which may extend to one lakh rupees and in the case of a continuing failure, with an additional fine which may extend to five hundred rupees for every day after the first during which the failure continues*

5.23. Learned Counsel for Respondents No.1, 2 and 4 submits that independent of those proceedings before the Ethics Committee or OPPI and/or the Apex Committee, the Registrar has the power under Section 206 to call for information,

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inspect books and conduct enquiries by way of a written notice.

5.24. Learned Counsel for Respondent No.1, 2 and 4's submission is that, irrespective of the Ethics Committee reprimanding the Petitioner and the Apex Committee imposing a penalty of the like amount as spent on the HCPs, the conduct of the business and the affairs of the company require a further enquiry by the ROC since there are other issues relating to the operation of the company which the ROC can look into and in that background, she submits that the notice issued by the ROC on 12.05.2026 at Annexure-JJ is proper and correct. What is only sought for are the balance sheets, financial reports, audit reports, minutes of the meetings, etc., which could easily be provided by the Petitioner. There is no need for the Petitioner to refrain from or object to such providing of the documents. If the Petitioner had nothing to hide, then the documents, if in favour of the Petitioner, would *enure* to the benefit of the Petitioner.

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5.25. Learned Counsel for Respondents No.1, 2 and 4 submits that the due procedure in respect of the said enquiry under Chapter XIV of the Companies Act 2013 would be followed and complied with.

5.26. Her submission is that no doctor can avail of free travel and accommodation under the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulation 2002 and in this regard, Learned Counsel for Respondents No.1, 2 and 4 relies on Regulation 6.8, which is reproduced hereunder for easy reference:

> ***6.8*** *Code of conduct for doctors in their relationship with pharmaceutical and allied health sector industry"*
>
> *The Section 6.8.1(b) shall be substituted in terms of Notification published on 01.02.2016 in Gazette of India, as under:-*
>
> *(b) Travel Facilities A medical practitioner shall not accept any travel Facility inside the country or outside, including rail, road, air, ship, cruise tickets, paid vacation, etc. from any pharmaceutical or allied healthcare industry or their representatives for self and family members for vacation or for attending conferences, seminars, workshops, CME Programme. etc. as a delegate.*
>
> *(iii) Action to be taken by the Council for violation of Section 6.8, as amended vide notification dated 10/12/2009, shall be*

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prescribed by further amending the Section 6.8.1 as under:-

SECTION	***ACTION***
6.8.1 In dealing with Pharmaceutical and allied health sector industry, a medical practitioner shall follow and adhere to the stipulations given below:-	
a) Gifts. A medical practitioner shall not receive any gift from any pharmaceutical or allied health care industry and their sales people or representatives	*Gifts more than Rs. 1,000/- upto Rs 5,000/-* *Censure* *Gifts more than Rs. 5,000/- upto Rs 10.000/ Removal from Indian Medical Register or State Medical Register for 3 (three) months* *Gifts more than Rs 10.000 Rs 50.000 Removal from Indian Medical Register State Medical Register for six months* *Gifts more than Rs 50,000/- Rs 1,00,000/ Removal from Indian Medical Register of State Medical Register for (one) year* *Gifts more than Rs 100,000/- Removal for a period of more than (one) year from Indian Medical Register or State Medical Register*
b) Travel facilities A medical practitioner shall not accept any travel facility inside the country or outside, including rail. road, air, ship, cruise	*Expenses for travel facilities more than Fis 1.000/ upto Rs 5.000/- Censure* *Expenses for travel facilities*

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tickets, paid vacations etc from any pharmaceutical or allied healthcare industry or their representatives for self and family members for vacation or for attending conferences, seminars, workshops CME programme etc. as a delegate	*more than Ro 5.000/- upto Rs 10.000/ Removal from Indian Medical Register or State Medical Register for 3 three months.* *Expenses for travel facilities murs than Ra 10,000/- to Ra. 50,000/- Removal from Indian Medical Register or State medical Register for 6 (six) months* *Expenses for travel facilities more than Rs. 50,000/- to Rs. 1,00,000/-Removal from Indian Medical Register or State Medical Register for 1 (one) year* *Expenses for travel facilities more than Ra 1,00,000/- Removal for a period of more than 1 (one) year from Indian Medical Register or State Medical Register*
c) Hospitality. A medical practitioner shall not accept individually any hospitality like hotel accommodation for self and family members under any pretext	*Expenses for Hospitality more than Rs. 1,000/- upto Rs. 5,000/- Censure* *Expenses for Hospitality more than Rs. 5,000/- upto Rs. 10,000/- Removal from Indian Medical Register or State Medical Register for 3 (three) months* *Expenses for Hospitality more than Rs 10.000/- to Rs. 50,000/- Removal from Indian Medical Register or State medical Register for 6 (six) months* *Expenses for Hospitality more than more than Rs. 50,000/- to Rs. 1,00,000/ Removal*

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	from Indian Medical Register or State Medical Register for 1 (one) year *Expenses for Hospitality more than Rs. 1,00,000/- Removal for a period of more than 1 (one) year from Indian Medical Register or State Medical Register.*
d) Cash or monetary grants- A medical practitioner shall not receive any cash or monetary grants from any pharmaceutical and allied healthcare industry for individual purpose in individual capacity under any pretext Funding for medical research study etc can only be received through approved institutions by modalities laid down by law/rules/guidelines adopted by such approved institutions in a transparent manner It shall always be fully disclosed	*Cash or monetary grants more than Rs. 1,000-upto Rs 5,000 Censure* *Cash or monetary grants more than Rs 5,000/- to Rs 10,000 Removal from Indian Medical Register of State Medical Register for 3 (three) months* *Cash or monetary grants more than Rs. 10,000 50,000- Removal from Indian Medical Register of State Medical Register for six) months* *Cash or monetary grants more than more than Rs. 5,.000/- to Rs 1,00,000 Removal from Indian Medical Register or State Medical Register for 1 (one) year* *Cash or monetary grants more than Rs 1,00,000/- Removal for a period of more than 1 (one) year from Indian Medical Register or State Medical Register*
e) Medical Research A medical practitioner may carry out, participate in work in research projects funded by pharmaceutical and allied healthcare industries A medical practitioner is obliged to know that the fulfilment of the	*First time censure, and thereafter removal of name from Indian Medical Register or State Medical Register for a period depending upon the violation of the clause*

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following items (i) to (vii) will be an imperative for undertaking any research assignment/project funded by industry-for being proper and ethical. Thus, in accepting such a position a medical practitioner shall *(i) Ensure that the particular research proposal(s) has the due permission from the competent concerned authorities* *(ii) Ensure that such a research project(s) has the clearance of national/ state/institutional committees/bodies ethics* *(iii) Ensure that it fulfils all the legal requirements prescribed for medical research.* *(iv) Ensure that the source and amount of funding is publicly disclosed at the beginning itself* *(v) Ensure that proper care and facilities are provided to human volunteers, if they are necessary for the research project(s).* *(vi) Ensure that undue animal experimentations are not done and when these are necessary they are done in a scientific and a humane way* *(vii) Ensure that while accepting such assignment medical practitioner shall have the freedom to publish the results of the research in the greater interest of the society by inserting such a clause in the MoU or any other documents/agreement for any*	

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such assignment.	
f) Maintaining Professional Autonomy In dealing with pharmaceutical and allied healthcare industry a medical practitioner shall always ensure that there shall never be any compromise either with his/her own professional autonomy and/or with the autonomy and freedom of the medical institution	*First time censure, and thereafter removal of name from Indian Medical Register or State Medical Register*
g) Affiliation: A medical practitioner may work for pharmaceutical and allied healthcare industries in advisory capacities, as consultants, as researchers, as treating doctors or in any other professional capacity In doing so, a medical practitioner shall always *(i) Ensure that his professional integrity and maintained. freedom are* *(ii) Ensure that patients interest are not compromised in any way.* *(iii) Ensure that such affiliations are within the law* *(iv) Ensure that such affiliations/employments are fully transparent and disclosed.*	*First time censure, and thereafter removal of name from Indian Medical Register or State Medical Register for a period depending upon the violation of the clause.*
h) Endorsement -A medical practitioner shall not endorse any drug or product of the industry publically. Any study conducted on the efficacy or otherwise of such products shall be presented to and/or through appropriate scientific bodies or published in appropriate scientific journals	*First time censure, and thereafter removal of name from Indian Medical Register or State Medical Register*

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in a proper way.	

5.27. By relying on Regulation 6.8, Learned Counsel for Respondent No.1, 2 and 4's submission is that no medical practitioner shall accept any travel facility inside the country or outside, including rail, road, air, ship and cruise tickets, paid vacation etc., from any pharmaceutical or allied health care industry or their representatives for self and family members for vacation or for attending conferences, seminars, workshops, CME programs, etc. as a delegate. Her submission is that the HPAs in the present matter, being delegates, could not have accepted any of those facilities provided by the Petitioner.

5.28. Learned Counsel for Respondent No.1, 2 and 4's submission is also that, knowing fully well Regulation 6.8, the Petitioners could not have provided those benefits to those doctors (HCPs), thereby violating Regulation 6.8. She therefore submits that the action taken by the Respondent is proper and correct; there is no enquiry required to be held.

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5.29. Insofar as the decisions of the Hon'ble Delhi High Court and Hon'ble Gujarat High Court are concerned, she submits they were interim orders. The matter being heard, finally, those decisions would not be applicable to the present matter. Her submission is also that those petitions have been filed by the HPAs and not by the Petitioner and the reasoning given therein would not be applicable to the present facts.

5.30. On the above basis, Learned Counsel for Respondents No.1, 2 and 4 submits that the above petition is required to be dismissed.

6. Sri.Y.V.Raviraj., learned counsel for Respondent No.3-Income Tax Department, would submit that;

6.1. The powers of the Income Tax Department are separate and distinct from those of the OPPI. He submits that the fact that the Ethics Committee of the OPPI or the Apex Committee has passed an order does not deprive the Income Tax Department of the power to initiate proceedings under the applicable provisions of the Income Tax Act, where a violation is disclosed.

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6.2. Learned counsel for Respondent No.3's submission therefore is that the reprimand made by the Ethics Committee and/or remedial measures suggested by the Apex Committee will not come in the way of the Income Tax Department exercising its jurisdiction under the appropriate provision of the Income Tax Act. He therefore submits that the above petition is required to be dismissed.

7. Sri. Udaya Holla., learned Senior Counsel appearing for the Petitioner, would firstly submit that;

7.1. Learned Senior Counsel again reiterates that the complaint was anonymous; the entire proceedings were initiated on the basis of an anonymous complaint, which could not have been acted upon by any of the authorities. His submission is that even if it were to be contended that DOP had constituted a Special Audit Committee, the Special Audit has not been conducted by the relevant qualified auditors. He refers to Clause 14 of UCPMP 2024 which is reproduced hereunder for easy reference;

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14. Miscellaneous

14.1 The Department of Pharmaceuticals may, for furtherance of the provisions of this Code, or for removal of difficulties in its operation, may issue standing orders from time to time which will be considered an integral part of this Code

14.2 The provisions of this Code, unless exempted, or to the extent modified by standing orders, shall apply mutatis mutandis to medical devices and companies or entities manufacturing or dealing with the sale and distribution of such products.

14.3 The Department of Pharmaceutical will notify a panel of auditors, either audit firms of standing empanelled by the CAG or commercial audit firms of repute having an experience of dealing with such matters.

14.4 Finally, the Chief Executive Officer of the company itself is responsible for adherence to this Code, and a self-declaration in the format given in the annexurs shall be submitted by the executive head of the company within two months of the end of every financial year to the Association for uploading on their website, or directly on the UCPMP portal of the Department of Pharmaceuticals in case he is not a member of such a body, or a member of more than one such bodies.

7.2. By referring to Clause 14.3, Learned Senior Counsel's submission is that the Department of Pharmaceuticals was required to notify a panel of auditors, either audit firms of standing empanelled by the CAG or reputed Commercial Audit Firms having experience in dealing with

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such matters. It is from a list of those empanelled auditors that the special audit team had to be constituted with the consent and concurrence of the Petitioner. The unilateral appointment of the auditors to the Special Audit Team do not satisfy the requirement of Regulation 14.3.

7.3. Learned Senior Counsel submits that even a delegate learns a lot during the course of a conference. It is not only a speaker or a presenter at the conference who can be said to be learning. In fact, his submission is that the speaker or presenter already knows the subject presents it to those who do not; it is the delegate who learns from the speakers and presenters. It is for that reason that the Petitioner had recommended the HPAs to attend the said conference who have learned from the said conference and have utilised the learning during the course of their practice.

8. Smt.Nayanatara.B.G., learned counsel appearing for Respondents No.1, 2 and 4, submits in her Sur-rejoinder that:

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8.1. The Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 specifically prohibit a delegate from accepting any benefit. Whether he learns from the conference or not, is irrelevant once the Regulations prohibit such acceptance of benefit.

8.2. Learned Counsel for Respondent No.1, 2 and 4's submission, insofar as the Special Audit Team is concerned, is that under Clause 10.7, the DOP can order a Special Audit, which is not covered by or governed by Clause 14.3. There is no requirement for any consent or concurrence to be obtained from the Petitioner for such an audit. Regulation 14.3 stands independent of 10.7, is her submission.

8.3. On all the above grounds, she submits that the petition is required to be dismissed.

9. Heard Sri.Udaya Holla., learned Senior Counsel appearing for the Petitioner, Smt.Nayanatara B.G., learned counsel appearing for Respondents No. 1, 2 and 4; and Sri. Y. V. Raviraj, learned counsel for Respondent No. 3. Perused the papers.

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10. The points that would arise for determination are:

(i) Whether the impugned order dated 23.12.2024 passed by the Apex Committee for Pharma Marketing Practices in ACPMP No. 01/2024 is liable to be quashed on the ground that the proceedings were initiated on the basis of an anonymous complaint, having regard to the provisions of the Uniform Code for Pharmaceutical Marketing Practices, 2014 and 2024?

(ii) Whether the Apex Committee was justified in proceeding against the Petitioner and passing the impugned order dated 23.12.2024, notwithstanding the findings and decision of the Ethics Committee for Pharma Marketing Practices dated 20.09.2024, and whether such action was permissible in the absence of an appeal or review in accordance with the applicable Code?

(iii) Whether the proceedings initiated by the Department of Pharmaceuticals, including the special audit and the consequential action taken by the Registrar of Companies under Section 206 of the Companies Act, 2013, are without jurisdiction or otherwise unsustainable in law on the grounds urged by the Petitioner?

(iv) Whether the Petitioner has made out grounds for quashing the impugned order dated 23.12.2024 and the consequential proceedings, including the summons dated 13.01.2026 and 09.02.2026 issued by the Income Tax Department and the notice

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dated 12.05.2026 issued by the Registrar of Companies, and for grant of the consequential reliefs sought in the writ petition?

(v) What Order?

11. This Court answers the above points as follows:

12. **<u>Answer to Point No. (i):</u> Whether the impugned order dated 23.12.2024 passed by the Apex Committee for Pharma Marketing Practices in ACPMP No. 01/2024 is liable to be quashed on the ground that the proceedings were initiated on the basis of an anonymous complaint, having regard to the provisions of the Uniform Code for Pharmaceutical Marketing Practices, 2014 and 2024?**

12.1. Sri Udaya Holla, learned Senior Counsel appearing for the Petitioner, submits that the proceedings originated from an unsigned complaint received by the Department of Pharmaceuticals (DOP) on 21.05.2024. The impugned order itself describes the complaint as anonymous. According to learned Senior Counsel, this fact is admitted.

12.2. He relies on Clause 10 of the Code. Clause 10.3(i) requires every complainant, whether a

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company, an entity or an individual, to disclose his identity, full mailing address, e-mail address and mobile telephone number. Clause 10.4 provides that no pseudonymous or anonymous complaint, or complaint made without the prescribed fee of Rs.1,000/-, shall be entertained. Clause 10.5 further requires a complaint made by a pharmaceutical company to be signed or authorised in writing by its Managing Director or Chief Executive Officer. Learned Senior Counsel submits that identification of the complainant is a mandatory condition for initiating the complaint process. In its absence, the complaint could not be acted upon.

12.3. On this basis, he submits that the DOP could not have forwarded the complaint to the Ethics Committee; the Ethics Committee could not have acted upon it; and neither the Apex Committee nor the Ministry of Corporate Affairs could have proceeded on its basis. He contends that the Code imposes an express prohibition and that every authority dealing with the complaint was bound by it.

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12.4. He points out that the Ethics Committee for Pharma Marketing Practices of the OPPI (ECPMP), in its decision dated 20.09.2024, framed this very question as Issue No.2 and answered it against entertaining the complaint. The ECPMP held that an anonymous complaint could not be entertained under UCPMP 2014, as Clause 10.3(i) requires the complainant to identify himself and Clause 10.4 prescribes payment of the requisite fee.

12.5. He submits that UCPMP 2014 governs both conferences. IMCAS 2024 was held from 01.02.2024 to 03.02.2024, before UCPMP 2024 was notified on 12.03.2024. Although AMWC 2024 was held from 26.03.2024 to 29.03.2024, the commitments relating to the conference had been made earlier and the industry was still in a transitional period. The ECPMP accepted this position while answering Issue No.1. He also submits that both Codes are voluntary codes of marketing practice.

12.6. In his rejoinder, learned Senior Counsel reiterates that the entire proceedings rest on an

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anonymous complaint and that no authority could have acted upon it.

12.7. He relies on ***Union of India v. Mahendra Singh*** [2022 SCC OnLine SC 909] (paragraphs 15 and 16) for the principle that where the law requires an act to be done in a particular manner, it must be done in that manner and in no other. He submits that the Code prescribes the manner in which a complaint must be lodged and that the prescribed procedure was not followed.

12.8. Smt. Nayanatara B.G., learned counsel appearing for Respondents No.1, 2 and 4, submits that the complaint was not addressed to the Ethics Committee or to any Association. It was received by the DOP. She contends that Clause 10 of neither Code applies to a complaint received by the DOP.

12.9. She refers to Clause 9 of UCPMP 2024 and submits that it deals with complaints received by an Association. Such complaints are to be dealt with by the ECPMP of the concerned Association, chaired by its Chief Executive Officer.

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12.10. She further refers to Clause 10 of UCPMP 2024 and submits that it governs complaints addressed to the Ethics Committee. The requirement to identify the complainant and the prohibition against entertaining anonymous complaints apply to that category of complaints. They do not apply to a complaint received by the DOP.

12.11. She relies on Clause 10.7, which permits the DOP to forward a complaint received by it to the concerned Association for necessary action and also empowers the Department to order a special audit. She refers to the order dated 24.08.2024 passed by the Section Officer (Policy) of the DOP, which records that the complaint had been referred to the OPPI by an office memorandum dated 25.06.2024 under Clause 10.7. The OPPI thereafter sought guidance from the DOP because the complaint was anonymous. By letter dated 11.08.2024, the DOP called upon the Ethics Committee of the OPPI and the Petitioner to appear before the Apex Committee. The Managing Director of the Petitioner did not attend the meeting.

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12.12. She submits that the DOP considered the fact that the complaint was anonymous but, having regard to the seriousness of the allegations, referred the matter to the Apex Committee under Clause 10.7 and also ordered a special audit.

12.13. She points out that, when the special audit report was furnished to the Petitioner, its reply dated 12.10.2024 raised the same objection regarding anonymity. The Apex Committee heard the Petitioner's representatives on 07.11.2024, along with the Director General of the OPPI and officials of the DOP.

12.14. The issue under this Point is limited. The question is whether the anonymous nature of the complaint can prevent the DOP from taking it up and referring the matter to the Apex Committee, having regard to Clauses 10.3 and 10.4 of the Code.

12.15. The material facts are not in dispute. The DOP received a complaint on 21.05.2024 along with supporting documents. The impugned order describes those documents as "AbbVie's internal records, featuring a sales and expense

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tracker", containing the cost of each doctor's travel, together with copies of flight tickets and hotel booking vouchers. The impugned order describes the complaint as "an anonymous complaint". Learned counsel for Respondents No.1, 2 and 4 does not contend that the complaint identified its author. Her case is that the complaint was received by the DOP and was not addressed to the Ethics Committee. She therefore submits that Clauses 10.3 and 10.4 of either Code do not apply, but that Clause 10.7 is applicable.

12.16. The subsequent steps are also clear from the submissions and the record. The DOP referred the complaint to the OPPI by office memorandum dated 25.06.2024. The order dated 24.08.2024 passed by the Section Officer (Policy) of the DOP records that the reference was made under Clause 10.7 of UCPMP 2024. When the OPPI sought guidance from the DOP on the ground that the complaint was anonymous, the DOP, by letter dated 11.08.2024, called upon the Ethics Committee of the OPPI and the Petitioner to appear before the Apex Committee. The Managing Director of

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the Petitioner did not attend. The DOP ordered a special audit on 02.09.2024. The ECPMP decided the complaint on 20.09.2024, and the special audit team submitted its report to the Secretary of the DOP on the same date. As recorded in the impugned order, the Apex Committee heard the Petitioner on 30.09.2024 and 21.10.2024. The Respondents also refer to a meeting held on 07.11.2024. The impugned order was passed on 23.12.2024.

12.17. These events show that the matter proceeded on two distinct tracks. The first was the complaint referred to ECPMP of the OPPI. The second was the action taken by the DOP, which led to the proceedings before the Apex Committee. The legal effect of anonymity must be examined separately in relation to these two tracks.

12.18. Both sides proceed on the basis that the Codes are not statutes. The Petitioner describes them as voluntary codes, and the Respondents do not dispute that description. The forwarding letter accompanying UCPMP 2014 states that

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the Code is to be voluntarily adopted by the industry.

12.19. That does not make the Codes meaningless or reduce them to private rules of the Associations. UCPMP 2024 was issued on 12.03.2024 under the signature of the Secretary to the Government of India, Department of Pharmaceuticals. The Code assigns several functions directly to the DOP. Under Clauses 9.1 and 9.5, the Associations must link their complaint procedures to the UCPMP portal of the DOP and upload details of complaints. Clause 9.4, which deals with companies that belong to no Association or to more than one Association, permits the concerned Association to "seek guidance from the Department of Pharmaceuticals", where necessary. Clause 10.7 provides for the forwarding of complaints received by the DOP and empowers the Department to order a special audit. Under Clause 12(v), recommendations to Government agencies are to be made "through the Department of Pharmaceuticals". Clause 13.1 places the Secretary of the DOP at the head of the Apex

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Committee. Clauses 14.1 and 14.3 respectively empower the DOP to issue standing orders and notify a panel of auditors.

12.20. The DOP is therefore an integral part of the framework created by UCPMP 2024. It issued the Code and is entrusted with the administration of its machinery. The provisions must be read in that context.

12.21. The Code governing the complaint procedure must first be identified. The complaint was received on 21.05.2024. UCPMP 2024 had been issued on 12.03.2024 and was in force when the complaint was received. The DOP forwarded the complaint under Clause 10.7 of UCPMP 2024 and ordered the special audit under the same provision. The impugned order also states that it was passed under UCPMP 2024.

12.22. The procedure followed in receiving and dealing with the complaint must therefore be examined under UCPMP 2024. A separate question arises as to which Code governs the conduct alleged at the two conferences. The ECPMP held that UCPMP 2014 governed both conferences, whereas the impugned order examines the

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conduct with reference to UCPMP 2014 and UCPMP 2024. That question concerns the alleged substantive breaches. It does not determine the present Point. As explained below, the result on the issue of anonymity is the same under either Code.

12.23. The relevant provisions of UCPMP 2024 read as follows:

> *"9.1 All the Indian Pharmaceutical Associations will upload the UCPMP on their website along with the detailed procedure for lodging of complaints which will be linked to the UCPMP portal of the Department of Pharmaceuticals."*
>
> *"10.1 All complaints, related to the breach of the Code should be addressed to the "Ethics Committee for Pharma Marketing Practices (ECPMP)", "Chief Executive Officer", "Name of Association"."*
>
> *"10.3 Complaints must be in writing and for each case The Complainant should: i. identify himself (whether a company, entity or an individual) with a full mailing address (email and mobile telephone no)."*
>
> *"10.4 A non-refundable amount of Rs. 1,000/is to be deposited by the complainant along with the complaint. The respective association will elaborate on their website how this payment is to be made. No pseudonymous or anonymous complaints or those made without the prescribed fee will be entertained."*
>
> *"10.6 When it appears from media reports (other than letters to the editor of a publication) that a company may have breached the Code, the matter may be treated as complaint, and the committee may request the concerned*

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publication for further information, and the source or the corRespondent may be treated as the complainant."

"10.7 Any complaint received by the Department of Pharmaceuticals may also be forwarded to the concerned Association for necessary action. In such cases, the concerned Association will take up the matter further with the complainant concerned. The Department may order a special audit for the purpose."

12.24. These provisions distinguish between a complaint lodged with an Association and a complaint received by the DOP. A complaint lodged with an Association must be addressed to its Ethics Committee, must identify the complainant and must be accompanied by the prescribed fee of Rs.1,000/. Clause 10.4 expressly provides that an anonymous complaint or a complaint made without the prescribed fee will not be entertained.

12.25. Clause 10.7 deals separately with a complaint received by the DOP. It permits the DOP to forward such a complaint to the concerned Association and empowers the Department to order a special audit. The distinction between these two routes is central to the present issue.

12.26. Clauses 10.1 to 10.5 govern complaints lodged with an Association. Clause 10.1 specifies the

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authority to which such a complaint must be addressed, namely the ECPMP of the Association. Clause 10.2 prescribes the period within which the complaint must be lodged. Clause 10.3 sets out the particulars that the complainant must provide. Clause 10.4 requires payment of the prescribed fee and expressly excludes anonymous complaints and complaints without the fee. Clause 10.5 specifies the authority by whom a complaint made on behalf of a pharmaceutical company must be signed or authorised.

12.27. Read together, these provisions regulate the procedure by which a person lodges a complaint with an Association and the Association's Ethics Committee decides whether to entertain it. The Association collects the fee, specifies the manner of payment on its website and decides whether the complaint is to be entertained. This is the setting in which the requirement to identify the complainant and the prohibition against anonymous complaints operate.

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12.28. The Respondents are therefore right in submitting that Clauses 10.1 to 10.5 apply to complaints lodged with the Ethics Committee of an Association. This reading is consistent with Clause 9.1, which requires each Association to publish the detailed procedure for lodging complaints on its website.

12.29. The requirement of an identified complainant and a prescribed fee serves a clear purpose at the Association level. An Association represents companies in the pharmaceutical industry. Its Ethics Committee should not be required to entertain allegations against a company when the person making those allegations remains unidentified and bears no responsibility for them. Otherwise, a competitor could invoke the complaint mechanism without disclosing its identity or paying the prescribed fee. Clauses 10.3 and 10.4 prevent that misuse and protect member companies from unaccountable complaints.

12.30. That rationale justifies the restriction on complaints lodged with an Association. It does not justify extending the same restriction to a

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Government department that receives information about a possible breach and has the power to verify that information independently.

12.31. Clause 10.7 addresses a different situation and uses different language. It applies to "…any complaint received by the Department of Pharmaceuticals". It does not require the complainant to satisfy Clause 10.3. Nor does it state that an anonymous complaint received by the DOP cannot be acted upon. It provides that such a complaint "may also be forwarded" to the concerned Association. The words "may also" make forwarding an additional course of action and do not confine the DOP to that course alone.

12.32. Clause 10.7 also gives the DOP an independent power to "order a special audit for the purpose". A special audit enables the Department to verify the information received. That power would serve little purpose if the DOP could act only on a complaint that had already satisfied the requirements applicable to a complaint lodged with an Association. In that

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situation, the Association's Ethics Committee would deal with the complaint under Clauses 10.1 to 10.5.

12.33. Clause 10.7 therefore creates a separate channel for complaints received by the DOP. The requirements in Clauses 10.3 and 10.4 do not automatically apply to complaints received through that channel.

12.34. Learned Senior Counsel for the Petitioner points out that Clause 10.7 appears under the heading "Lodging of Complaints" and refers to "the complainant concerned". Neither circumstance changes the meaning of the provision.

12.35. Clause 10 is not a single, undifferentiated procedure. Clause 10.6 itself provides a separate mechanism for complaints arising from media reports. It permits the committee to treat the matter as a complaint and to treat the source or correspondent as the complainant. The Code thus provides for different forms of complaint intake and prescribes the procedure applicable to each. The common heading does not import the

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requirements of Clause 10.3 into every sub-clause.

12.36. The expression "the complainant concerned" in Clause 10.7 occurs in the sentence dealing with the action to be taken by the Association after the DOP forwards a complaint. It describes the Association's role after the reference. It does not prohibit the DOP from examining information received from an unidentified source.

12.37. The manner in which the matter was handled in this case confirms this distinction. When the OPPI found that the complaint was anonymous, it sought guidance from the DOP. The DOP thereafter proceeded on its own track, called upon the concerned parties to appear before the Apex Committee and ordered a special audit. Clause 9.4, though dealing with a different situation, also recognises that an Association may seek guidance from the DOP when necessary.

12.38. If Clauses 10.3 and 10.4 were intended to bind the DOP when it received a complaint, Clause

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10.7 would have said so. It does not. The Court cannot add such a restriction to the provision.

12.39. Learned Senior Counsel for the Petitioner next submits that this interpretation would allow a person who cannot lodge an anonymous complaint with an Association to bypass Clause 10.4 by sending the same complaint to the DOP. This argument does not give effect to the distinction drawn by the Code.

12.40. The route through the DOP is expressly recognised by Clause 10.7. It is not a device to defeat Clause 10.4. The two routes have different safeguards. The DOP does not have to accept the complaint as true. It can verify the information through a special audit. The company against which the allegations are made can be called upon to respond. In the present case, the Petitioner received the audit memos and submitted replies to them. It was also furnished with the audit report and given an opportunity of being heard.

12.41. Further, Clause 10.4 was not bypassed in the proceedings before the Association. The ECPMP framed Issue No.2 and held that an anonymous

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complaint could not be entertained. It is not disputed that the Petitioner obtained the benefit of that decision. This Court agrees with the Petitioner that proceedings before the ECPMP could not rest on an anonymous complaint. The ECPMP was right in declining to entertain it on that basis.

12.42. That conclusion, however, concerns the jurisdiction and procedure of the ECPMP. It does not prevent the DOP from acting independently under Clause 10.7. The prohibition applicable to complaints lodged with an Association cannot be extended to the DOP's separate channel.

12.43. The Respondents submit that the DOP considered the anonymous nature of the complaint but proceeded because of the seriousness of the allegations. The impugned order records that "…despite the anonymity of the complaint, the allegations against the company were severe".

12.44. Learned Senior Counsel for the Petitioner is right that the seriousness of an allegation cannot authorise an Association to disregard

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Clause 10.4. But that is not what happened here. The DOP did not waive or relax Clause 10.4. The clause does not impose the same restriction on the DOP when it receives a complaint under Clause 10.7.

12.45. The DOP decided that the information warranted verification. The complaint was accompanied, according to the impugned order, by the Petitioner's internal records, a sales and expense tracker, flight tickets and hotel booking vouchers. The Department was entitled to examine that material and determine whether a special audit was necessary. The Petitioner has neither pleaded nor established that this decision was arbitrary or actuated by bad faith. There is no basis for this Court to substitute its assessment for that of the DOP on whether the material warranted an audit.

12.46. The impugned order does not proceed on the assumption that the anonymous complaint was true. It records that the Special Audit Committee examined the allegations, that the Petitioner responded to the audit report and that the Apex Committee heard the Petitioner

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on 30.09.2024 and 21.10.2024. The Petitioner also placed its explanations before the Committee, including the Professional Services Agreements and its contention regarding the date from which UCPMP 2024 applied. The Respondents further state that the Petitioner was heard on 07.11.2024.

12.47. The Petitioner has not contended before this Court that it was denied a hearing or that it was not furnished with the audit material. The record therefore shows that the impugned order followed an inquiry conducted by the DOP, in which the Petitioner participated. The order does not rest solely on the anonymous complaint.

12.48. For the present Point, it is sufficient to hold that the anonymous nature of the initial complaint does not, by itself, invalidate the proceedings undertaken by the DOP under Clause 10.7.

12.49. Learned Senior Counsel for the Petitioner relies on ***Union of India v. Mahendra Singh*** [2022 SCC OnLine SC 909] (paragraphs 15 and 16). In paragraph 15, the Hon'ble Supreme Court reiterated the settled principle:

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> *"It is a well-settled salutary principle that if a statute provides for a thing to be done in a particular manner, then it has to be done in that manner and in no other manner."*

12.50. The Hon'ble Supreme Court quoted paragraph 17 of ***Chandra Kishore Jha v. Mahavir Prasad*** [(1999) 8 SCC 266] in support of that proposition:

> *"17……..It is a well-settled salutary principle that if a statute provides for a thing to be done in a particular manner, then it has to be done in that manner and in no other manner. (See with advantage : Nazir Ahmad v. King Emperor [(1935-36) 63 IA 372 : AIR 1936 PC 253 (2)], Rao Shiv Bahadur Singh v. State of V.P. [AIR 1954 SC 322 : 1954 SCR 1098], State of U.P. v. Singhara Singh [AIR 1964 SC 358 : (1964) 1 SCWR 57].) An election petition under the rules could only have been presented in the open court up to 16-5-1995 till 4.15 p.m. (working hours of the Court) in the manner prescribed by Rule 6 (supra) either to the Judge or the Bench as the case may be to save the period of limitation. That, however, was not done……."*

12.51. In paragraph 16, the Hon'ble Supreme Court further stated:

> *"Where the law prescribes a thing to be done in a particular manner following a particular procedure, it shall be done in the same manner following the provisions of law, without deviating from the prescribed procedure".*

12.52. That paragraph refers to paragraph 14 of ***Cherukuri Mani v. Chief Secretary,***

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Government of Andhra Pradesh [(2015) 13 SCC 722].

> *"14. Where the law prescribes a thing to be done in a particular manner following a particular procedure, it shall be done in the same manner following the provisions of law, without deviating from the prescribed procedure……."*

12.53. The principle is clear: where a rule prescribes the manner in which an act must be done, the prescribed manner must be followed. The decision in ***Mahendra Singh*** concerned a statutory requirement. The present case concerns voluntary Codes. Even applying the principle to these Codes, it does not assist the Petitioner. The Petitioner must first establish that Clauses 10.3 and 10.4 prescribe the procedure applicable to a complaint received by the DOP. They do not. Clause 10.7 specifically governs complaints received by the DOP. It permits forwarding to the concerned Association and empowers the Department to order a special audit. The record shows that the DOP referred the complaint by office memorandum dated 25.06.2024 and ordered a special audit on 02.09.2024. The DOP therefore acted under the provision applicable to the

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complaint it had received. The principle in ***Mahendra Singh*** does not advance the Petitioner's case.

12.54. UCPMP 2014 also requires consideration. Clause 10.3(i) requires the complainant to "identify himself (whether a company or an individual) with a full mailing address". Clause 10.4 prescribes the same fee of Rs.1,000/-. Clause 10.7 provides that a complaint received by the DOP "will also be forwarded to the concerned Association for necessary action" and that the Association "will further take up the matter with the complainant directly".

12.55. Unlike UCPMP 2024, UCPMP 2014 does not expressly state that anonymous complaints will not be entertained. The ECPMP itself noted this distinction while considering the complaint. UCPMP 2014 also does not confer on the DOP the express power to order a special audit. Its review mechanism provides for review by an Apex Ethics Committee of the industry under Clauses 9.4 and 13. That body is distinct from the Apex Committee constituted under UCPMP 2024.

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12.56. The Petitioner's case is no stronger under UCPMP 2014. Although Clause 10.3(i) requires identification of the complainant, the Code does not contain the express prohibition against anonymous complaints found in Clause 10.4 of UCPMP 2024. In any event, UCPMP 2024 governed the procedure followed by the DOP when it received the complaint on 21.05.2024. It is therefore unnecessary to base the conclusion on UCPMP 2014.

12.57. The Petitioner did not abandon its objection regarding anonymity. Learned counsel for Respondents No.1, 2 and 4 acknowledges that the Petitioner raised the objection in its reply dated 12.10.2024. Her account of the Petitioner's reply dated 04.09.2024 is that the Petitioner objected to the audit seeking documents beyond the scope of the complaint but nevertheless produced the documents. No Respondent has pleaded waiver. The finding on this Point rests on the interpretation of the Code and not on any waiver by the Petitioner.

12.58. The Petitioner also contends that the prohibition in Clause 10.4 prevented the Apex Committee,

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the Ministry of Corporate Affairs and the Registrar of Companies from acting on the anonymous complaint. This submission is untenable.

12.59. Clause 10.4 is a provision of the Code. It is not a provision of the Companies Act, 2013. A voluntary Code cannot curtail a power conferred by Parliament under a statute. Section 206(4) of the Companies Act, 2013, extracted under Point (iii), empowers the Registrar to act when he is satisfied "on the basis of information available with or furnished to him or on a representation made to him by any person". The provision does not require the person furnishing the information to be identified.

12.60. Further, the notice dated 12.05.2026 states that the Registrar acted pursuant to an order of the Ministry dated 21.01.2026, as considered under Point (iii). The Petitioner has also not identified any provision of the Income-tax Act, 1961, which prohibits the Income Tax Department from acting on information received from an unidentified source.

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12.61. The impugned order cannot be quashed merely because the complaint received by the DOP was anonymous. Clauses 10.3 and 10.4 of UCPMP 2024 govern complaints lodged with the Ethics Committee of an Association. They do not prohibit the DOP from receiving information in the form in which it is received, verifying it through a special audit under Clause 10.7 and placing the matter before the Apex Committee.

12.62. This Court answers Point No. (i) by holding that the anonymous nature of the complaint is not a ground for quashing the impugned order. Clauses 10.3 and 10.4 of UCPMP 2024 apply to complaints lodged with the Ethics Committee of an Association. Proceedings before the ECPMP could not rest on an anonymous complaint. Those provisions, however, do not bar the DOP from receiving a complaint, verifying the information through a special audit under Clause 10.7 and placing the matter before the Apex Committee. The position under UCPMP 2014 does not support the Petitioner's challenge either.

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13. **<u>Answer to Point No. (ii):</u> Whether the Apex Committee was justified in proceeding against the Petitioner and passing the impugned order dated 23.12.2024, notwithstanding the findings and decision of the Ethics Committee for Pharma Marketing Practices dated 20.09.2024, and whether such action was permissible in the absence of an appeal or review in accordance with the applicable Code?**

13.1. Sri Udaya Holla, learned Senior Counsel appearing for the Petitioner, submits that the Code provides a two-tier mechanism for dealing with complaints. The Ethics Committee of the concerned Association decides the complaint. A party dissatisfied with that decision may challenge it only in the manner prescribed under Clause 13. The Apex Committee can exercise appellate jurisdiction only when an appeal is filed in accordance with that Clause. It cannot reopen or reconsider a decision of the ECPMP on its own.

13.2. Learned Senior Counsel for the Petitioner takes the Court through the decision of the ECPMP dated 20.09.2024. On Issue No.1, the ECPMP held that UCPMP 2014 governed both conferences. On Issue No.2, it held that an

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anonymous complaint could not be entertained. On Issue No.3, it held that the engagement of doctors under Professional Services Agreements was permissible under UCPMP 2014, read with Regulation 6.8.1(g) of the IMC Regulations 2002. On Issue No.4, it held that the sales generated by the doctors in 2023 were not the criterion for selecting them. On Issue No.5, it held that no tax evasion was involved and that questions relating to tax liability fell within the domain of the Income Tax authorities. He also refers to Clause 6 of UCPMP 2014, which deals with gifts.

13.3. Learned Senior Counsel for the Petitioner submits that neither the Petitioner nor the anonymous complainant filed an appeal or sought a review of the ECPMP's decision. The decision therefore attained finality under the Code. The Apex Committee could not assume appellate jurisdiction in the absence of an appeal. Nor could it treat the proceedings as a suo motu appeal. He points out that the ECPMP found no irregularity in the Petitioner's sponsorship, whereas the Apex Committee reached the opposite conclusion.

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13.4. Learned Senior Counsel for the Petitioner further submits that the reprimand was the only action taken against the Petitioner under the Code. The Petitioner did not challenge it earlier because it accepted the reprimand as such and no further consequence followed. It approached this Court only after the Ministry of Corporate Affairs initiated separate proceedings on the basis of the impugned order.

13.5. Learned Senior Counsel for the Petitioner relies on ***Union of India v. Mahendra Singh*** [2022 SCC OnLine SC 909] (paragraphs 15 and 16) for the principle that, where a procedure is prescribed for doing an act, the authority must follow that procedure.

13.6. Smt. Nayanatara B.G., learned counsel appearing for Respondents No.1, 2 and 4, submits at the outset that the impugned order was passed neither in appellate jurisdiction nor in review jurisdiction. She contends that the Petitioner proceeds on an incorrect understanding of the nature of the proceedings before the Apex Committee.

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13.7. Learned counsel appearing for Respondents No.1, 2 and 4 explains that the DOP received the complaint and forwarded it to the OPPI under Clause 10.7 by an office memorandum dated 25.06.2024. Since the complaint was anonymous, the OPPI sought guidance from the DOP. By letter dated 11.08.2024, the DOP called upon the Ethics Committee of the OPPI and the Petitioner to appear before the Apex Committee. The Managing Director of the Petitioner did not attend. The Director General of the OPPI sought more time. The Apex Committee thereafter decided to conduct a special audit under Clause 10.7.

13.8. The special audit was ordered on 02.09.2024. Learned counsel appearing for Respondents No.1, 2 and 4 refers to the documents sought by the audit team, the audit memos issued to the Petitioner and the Petitioner's replies dated 04.09.2024, 06.09.2024, 10.09.2024 and 12.09.2024. Learned counsel appearing for Respondents No.1, 2 and 4 submits that the proceedings before the ECPMP and the special audit were separate and were conducted

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simultaneously. Both processes were completed on 20.09.2024.

13.9. Learned counsel appearing for Respondents No.1, 2 and 4 refers to the special audit report, which is nearly 20 pages long. According to the report, the Petitioner had sponsored 30 doctors to Paris and Monaco, provided business-class air travel and accommodation in five-star hotels, and none of the doctors was a speaker at the conferences. The report also records that the Petitioner treated the expenditure as marketing expenditure.

13.10. The report was furnished to the Petitioner, which submitted its reply on 12.10.2024. The Apex Committee convened a meeting on 21.10.2024, at which representatives of the Petitioner, the Director General of OPPI and officials of the DOP were present. Upon examination of the documents and the submissions made, the Committee issued its order dated 07.11.2024. It found apparent violations of Clauses 7.1 and 7.2 of UCPMP 2014, Clauses 6.2.1, 8.2 and 8.3 of UCPMP

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2024, and Regulation 6.8.1(b) and (c) of the IMC Regulations 2002.

13.11. Learned counsel appearing for Respondents No.1, 2 and 4 submits that the Apex Committee gave the Petitioner an opportunity to take remedial action by supporting underprivileged patients for an amount equal to the violations quantified by the Special Audit Team, within 12 months. The Petitioner declined that proposal by its communication dated 10.12.2024 and denied any violation. According to Learned counsel appearing for Respondents No.1, 2 and 4, the proceedings before the Apex Committee must therefore be considered independently of the decision of the ECPMP.

13.12. Learned counsel appearing for Respondents No.1, 2 and 4 submits that Clause 10.7 authorised the DOP to forward the complaint to the Association and to order a special audit. The DOP exercised those powers. The matter was thereafter placed before the Apex Committee on the basis of the special audit report. She also submits that the Apex

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Committee imposed a penalty equivalent to the amount spent on the doctors.

13.13. Sri Y.V. Raviraj, learned counsel appearing for Respondent No.3, submits that the powers of the Income Tax Department are independent of the powers exercised by the OPPI or the Apex Committee. An order passed by either committee does not curtail the statutory powers of the Income Tax Department.

13.14. This Point concerns the authority of the Apex Committee and the effect of the ECPMP's decision dated 20.09.2024. The Petitioner's case rests on the premise that the ECPMP's decision ended the matter and that the Apex Committee could act only upon an appeal under Clause 13. The Respondents contend that the DOP had initiated an independent process under Clause 10.7 and that the impugned order was the outcome of that process.

13.15. The two processes must be examined separately. The ECPMP dealt with the complaint within the OPPI's internal mechanism. The DOP, on the other hand, acted on a complaint received directly by it, ordered a special audit

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and placed the resulting material before the Apex Committee. The question is whether the ECPMP's decision brought the latter process to an end.

13.16. The material facts are not in dispute. The DOP received the complaint on 21.05.2024, along with supporting documents. It forwarded the complaint to the OPPI by office memorandum dated 25.06.2024. The OPPI sought guidance from the DOP because the complaint was anonymous. The DOP, by letter dated 11.08.2024, called upon the Ethics Committee of the OPPI and the Petitioner to appear before the Apex Committee. The special audit was ordered on 02.09.2024.

13.17. The ECPMP delivered its decision on 20.09.2024. The special audit report was also submitted on that date. The report found that the Petitioner had sponsored 24 doctors to Paris and six doctors to Monaco, at a total expenditure of Rs.1,91,24,991/- towards travel and accommodation. It recorded that the doctors were not speakers at the conferences

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and concluded that the expenditure violated the relevant provisions of the Codes.

13.18. The Apex Committee heard the Petitioner on 30.09.2024 and 21.10.2024, as recorded in the impugned order. The Respondents also state that the Committee met on 07.11.2024. The Petitioner had an opportunity to respond to the audit report and to explain the Professional Services Agreements on which it relied. The Committee also gave the Petitioner an opportunity to consider taking remedial action by supporting underprivileged patients. The Petitioner declined that proposal by its communication dated 10.12.2024. The impugned order was thereafter passed on 23.12.2024.

13.19. The chronology establishes that the DOP's proceedings were initiated and substantially progressed independently of the ECPMP's decision. The special audit was not initiated after the ECPMP's decision. It had been ordered before that decision and was completed on the same date.

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13.20. The relevant provisions of UCPMP 2024 must be read together.

13.21. Clause 10.7 provides:

> *"Any complaint received by the Department of Pharmaceuticals may also be forwarded to the concerned Association for necessary action. In such cases, the concerned Association will take up the matter further with the complainant concerned. The Department may order a special audit for the purpose."*

13.22. Clause 11.10 provides:

> *"If no appeal is filed within the stipulated period, the decision of the ECPMP shall be final and binding, and adherence to such decision shall be a condition of continued membership of the Association. The decisions shall also be uploaded on the website of the Association and the Department of Pharmaceuticals."*

13.23. Clause 12, under the heading "Penalties and Reference", provides:

> *"Once it is established that a breach of the Code has been made by an entity, the Committee can propose one of the following actions against the erring entity: ..."*

13.24. Clause 12(ii) provides:

> *"To reprimand the entity and publish full details of such reprimand."*

13.25. Clause 12(v) provides:

> *"In cases where disciplinary, penal, or remedial action lies within the domain of any agency or authority of the Government in accordance with*

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the statute, the Committee may send its recommendations to such agency or authority through the Department of Pharmaceuticals."

13.26. Clause 13.1 provides:

"If a party to the complaint is dissatisfied with the decision of the ECPMP, it may file an appeal before an Apex Committee for Pharma Marketing Practices (ACPMP) headed by the Secretary, Department of Pharmaceuticals, having a Joint Secretary and a Finance Officer dealing with the subject as its members."

13.27. The Explanation to Clause 13.1 states:

"The expression 'party to the complaint' means the complainant or the Respondent entity, and the expression 'decision of the ECPMP' includes a lack of decision thereof, or inordinate delay in reaching such a decision."

13.28. Clause 13.4 provides:

"The ACPMP may prescribe any penalties or make a reference to an appropriate agency or an authority of the Government in accordance with para-12 above."

13.29. Clause 13.5 provides:

"The decision in appeal shall be final and binding on both the parties."

13.30. These provisions establish two distinct features of UCPMP 2024. First, Clause 10.7 creates an independent channel for complaints received by the DOP and expressly empowers it to order a special audit. Secondly, Clauses 12 and 13 provide for action on the establishment of a

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breach and identify the Apex Committee as the Government-level committee empowered to deal with such matters, including the prescription of penalties and references to statutory agencies.

13.31. The provisions of UCPMP 2014 also require consideration because the ECPMP held that the conduct at both conferences was governed by that Code.

13.32. Clause 9.4 of UCPMP 2014 provides for an industry-level review committee, namely the Apex Ethics Committee for Pharma Marketing Practices (AECPMP), consisting of five members nominated by the Head of the Association. Clause 13.1 provides:

> *"If a party to the complaint is dissatisfied with the decision of ECPMP, it may request for review of the decision from AECPMP. Any party requesting a review of decision of ECPMP shall notify the same to the Head of the Association."*

13.33. Clause 11.12 provides:

> *"If there is no request for review within the stipulated period (clause 13.4), the decision of ECPMP shall be final and binding, and adherence to the decision shall be a condition of continued membership of the Association. The decisions shall be uploaded on the website of the Association."*

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13.34. UCPMP 2014 thus provided for review within the industry mechanism. UCPMP 2024 replaced that arrangement with an Apex Committee headed by the Secretary of the DOP. The 2024 Code also expressly recognised the DOP's power to order a special audit. The change in the composition and role of the apex body is significant. The Apex Committee under UCPMP 2024 is a Government-level body within the enforcement structure of the Code, unlike the industry-level review committee under UCPMP 2014.

13.35. The Petitioner's argument does not give effect to Clause 10.7. The words "may also be forwarded" are significant. They show that forwarding a complaint to an Association is an additional course of action. The DOP is not required to confine itself to forwarding the complaint. The same Clause separately empowers the Department to order a special audit.

13.36. The power to order a special audit would be ineffective if the DOP were required to accept the decision of the Association's Ethics

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Committee as conclusive, even where the Department's independent audit disclosed material indicating a breach. Clause 10.7 must be given a meaningful operation. It authorises the DOP to verify the information received by it through an audit. The Department is not required to abandon that exercise merely because the Association's Ethics Committee has reached a different conclusion.

13.37. In the present case, the DOP exercised this power before the ECPMP delivered its decision. The two proceedings were conducted independently. The audit report was not a review of the ECPMP's decision. It was the result of an inquiry ordered by the DOP under Clause 10.7.

13.38. The finality contemplated by Clause 11.10 of UCPMP 2024 does not extend to the DOP's independent proceedings. The Clause makes the ECPMP's decision final and binding and expressly connects adherence to that decision with continued membership of the Association. It governs the conclusion of the complaint process within the Association.

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13.39. The DOP was not a party to the complaint within the meaning of Clause 13.1. The Explanation identifies the parties as the complainant and the Respondent entity. The DOP was neither. It was therefore not required to file an appeal against the ECPMP's decision before exercising the power expressly conferred on it by Clause 10.7.

13.40. The same position follows under UCPMP 2014. Clause 11.12 makes the ECPMP's decision final within the Association's complaint mechanism. It does not state that the decision binds the DOP or prevents the Government from examining information received by it. The finality of the ECPMP's decision cannot be enlarged to confer immunity from the DOP's independent examination.

13.41. There is an additional circumstance which defeats the Petitioner's reliance on the ECPMP's decision. The ECPMP itself held under Issue No.2 that the anonymous complaint could not be entertained. It nevertheless proceeded to record its views on the merits under Issues No.3 to 5.

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13.42. Once the ECPMP held that the complaint could not be entertained, its subsequent observations on the merits could not operate as a binding adjudication against the DOP. Those observations were made in the course of the Association's internal process. They did not determine the legality of the DOP's independent action under Clause 10.7. The Petitioner cannot rely on the ECPMP's rejection of the complaint to prevent the DOP from examining the underlying material through a separate process which the 2024 Code expressly permits.

13.43. The ECPMP's decision remained relevant to the Association's own complaint mechanism. It did not conclude the DOP's proceedings.

13.44. The Petitioner treats the Apex Committee's proceedings as a second round of adjudication on the same complaint. That is not the correct characterisation. The DOP had received the complaint in its own capacity. It ordered a special audit. The audit team examined the Petitioner's records and reported its findings. The Petitioner was then given an opportunity to respond before the Apex Committee. The

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Committee considered the audit report and the Petitioner's explanations.

13.45. The Apex Committee did not sit in appeal over the ECPMP's decision. It did not set aside that decision, modify it or direct the OPPI to alter its records. It considered the outcome of the DOP's separate inquiry. The fact that the two processes concerned the same underlying events does not make them the same proceeding. The source of the inquiry, the material considered and the authority exercising the relevant function were distinct.

13.46. The Petitioner's contention that the Apex Committee could act only upon an appeal under Clause 13 is also too narrow. Clause 13.1 provides a remedy to a party dissatisfied with the decision of the ECPMP. It identifies the composition of the ACPMP and establishes the appellate procedure. It does not state that the Apex Committee can function only when a private party files an appeal. Nor does it state that the DOP's independent powers under Clause 10.7 cease once an Association's Ethics Committee delivers its decision.

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13.47. Clause 12 uses the expression "the Committee" and provides for action once a breach of the Code is established. It includes reprimand and publication under Clause 12(ii), as well as recommendations to Government agencies under Clause 12(v). Clause 13.4 expressly recognises the power of the ACPMP to prescribe penalties or make references in accordance with Clause 12.

13.48. These provisions must be read together. Clause 10.7 enables the DOP to obtain and verify material through a special audit. Clause 12 provides for action when a breach is established. Clause 13 identifies the Apex Committee, headed by the Secretary of the DOP, and expressly recognises its power to prescribe penalties and make references. The Code does not prohibit the DOP from placing the outcome of its independent audit before the Apex Committee for consideration.

13.49. The appellate jurisdiction under Clause 13 is one specific function of the Apex Committee. It does not extinguish the DOP's independent role under Clause 10.7 or prevent the Apex

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Committee from considering the outcome of the DOP's own inquiry under the enforcement framework of the Code.

13.50. The structure of UCPMP 2024 supports this interpretation. Clause 9.4 permits an Association, in specified cases, to seek guidance from the DOP. Clause 9.5 requires Associations to upload details of complaints and action taken by the ECPMP on the DOP's UCPMP portal. Clause 10.7 authorises the DOP to receive complaints and order special audits. Clause 12 provides for reprimands and references to Government agencies. Clause 13 establishes the Apex Committee under the Secretary of the DOP. Clause 14.1 enables the DOP to issue standing orders for furtherance of the Code. Clause 14.3 requires the DOP to notify a panel of auditors. Clause 14.4 makes the Chief Executive Officer of the company responsible for compliance and requires a declaration of compliance.

13.51. Clause 14.2 is also relevant. It provides that the Code applies, unless exempted or modified by standing orders, mutatis mutandis to

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medical devices and the companies or entities manufacturing or dealing with their sale and distribution. The Petitioner's activity in relation to the medical devices in question therefore falls within the framework of the 2024 Code.

13.52. The Code is not confined to a private complaint mechanism operated by industry Associations. It creates an integrated system in which the Associations handle complaints, the DOP receives and verifies information, special audits may be ordered, and the Government-level Apex Committee deals with the resulting issues. The Petitioner's interpretation would reduce Clause 10.7 to a mere forwarding provision and deprive the DOP's independent audit power of its intended function.

13.53. The fact that Clause 13.4 refers to penalties in an appeal does not alter this conclusion. Clause 13.4 specifically states the powers available to the ACPMP when deciding an appeal. It does not contain an express prohibition against the DOP's separate enforcement process under Clause 10.7. Nor does it state that the options

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under Clause 12 can be considered only after an appeal is filed.

13.54. The Petitioner seeks to convert the appeal procedure into a restriction on the Department's independent role. The Code does not support that construction. The appeal procedure protects a party's right to challenge an ECPMP decision. The DOP's special audit procedure serves a different purpose: it enables the Government Department to verify information received by it and act on the result in accordance with the Code.

13.55. The two powers can operate together. The ECPMP's decision may remain final within the Association's process, while the DOP may complete its own inquiry and the Apex Committee may consider the findings under the Code's enforcement framework. There is no inconsistency in that construction.

13.56. The impugned order must also be viewed in the context of the proceedings that preceded it. The complaint was supported by documents described in the order as the Petitioner's internal records, sales and expense tracker,

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flight tickets and hotel booking vouchers. The Special Audit Committee examined the material and reported that the Petitioner had incurred Rs.1,91,24,991/- towards travel and accommodation for 30 doctors for the two conferences.

13.57. The impugned order records that the audit findings were put to the Petitioner. The Petitioner furnished replies to the audit memos and subsequently submitted its response to the audit report dated 20.09.2024. It was heard by the Apex Committee on 30.09.2024 and 21.10.2024. The Respondents also state that the Committee met on 07.11.2024. The Petitioner placed its explanation based on the Professional Services Agreements and the nature of the conferences before the Committee.

13.58. The Committee also offered the Petitioner an opportunity to take remedial action by supporting underprivileged patients. The Petitioner rejected the proposal by its communication dated 10.12.2024 and denied any breach. The impugned order was passed

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after considering the audit findings and the Petitioner's stand.

13.59. The order was therefore not based on the anonymous complaint alone. It followed an independent audit and an opportunity to the Petitioner to explain the material. The anonymous source of the initial information does not invalidate the subsequent process.

13.60. The Petitioner also points out that the impugned order does not identify the specific Clause under which it was passed. The authority for the action must be found in the Code read as a whole. The provisions discussed above provide the necessary framework: Clause 10.7 enables the DOP's independent inquiry; Clause 12 provides for reprimand and reference; and Clauses 13.1 and 13.4 establish the Apex Committee and recognise its powers under the Code.

13.61. The impugned order records that the DOP had acted under Clause 10.7, that a special audit had been conducted, that the Petitioner had been heard and that the Committee had considered the audit findings. The omission to

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cite every enabling provision does not invalidate an order where the authority for the action is traceable to the Code and the action falls within its scheme.

13.62. The Petitioner relies on ***Union of India v. Mahendra Singh*** [2022 SCC OnLine SC 909] (paragraphs 15 and 16). The relevant extracts have already been set out under Point (i), paragraph 33, and need not be repeated.

13.63. The principle laid down by the Hon'ble Supreme Court is that, where the law prescribes the manner in which an act must be done, the authority must follow that manner. That principle does not assist the Petitioner. The DOP followed the procedure specifically provided for a complaint received by it. It forwarded the complaint to the OPPI, ordered a special audit under Clause 10.7 and gave the Petitioner an opportunity to respond to the findings.

13.64. The Petitioner relies on Clause 13 as though it were the only procedure available to the DOP and the Apex Committee. Clause 13, however, governs an appeal by a party to the complaint. The impugned order did not purport to be an

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appeal decision. It arose from the DOP's separate inquiry. The procedure prescribed for an appeal cannot be imported into a distinct process which the Code separately recognises under Clause 10.7.

13.65. The principle in ***Mahendra Singh*** requires compliance with the applicable procedure. It does not require an authority to follow a procedure meant for a different proceeding.

13.66. Paragraph 9 of the impugned order records that the Apex Committee gave the Petitioner "an opportunity" to consider remedial action by supporting underprivileged patients for an amount equal to the violations computed by the Special Audit Team. It also records that the Petitioner rejected the proposal by its communication dated 10.12.2024. The operative part in paragraph 10 contains a reprimand and two requests to Government authorities. It does not impose a monetary penalty or direct the Petitioner to support patients.

13.67. The Court therefore proceeds on the operative order as passed. The reprimand and its

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publication are contemplated by Clause 12(ii). The requests to the Central Board of Direct Taxes and the National Medical Council fall within the nature of recommendations contemplated by Clause 12(v). The order does not impose a monetary penalty of Rs.1,91,24,991/-.

13.68. The Petitioner submits that it did not challenge the impugned order earlier because the order contained only a reprimand, which the Petitioner had accepted. This does not advance its case on the jurisdictional issue. The Petitioner's communication dated 10.12.2024, as recorded by the Respondents, rejected the proposal for remedial action and denied any violation. The Petitioner chose not to challenge the reprimand at that stage.

13.69. The finding on this Point rests on the provisions of the Code and the nature of the DOP's independent proceedings. The Petitioner's decision not to challenge the reprimand immediately does not alter the interpretation of the Code.

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13.70. The Petitioner further submits that, once the reprimand was issued, no further action could be taken by any authority. That proposition is incorrect. The impugned order does not confer or take away statutory powers. Clause 12(v) expressly contemplates recommendations to Government agencies where disciplinary, penal or remedial action falls within their statutory domain.

13.71. The Central Board of Direct Taxes, the Income Tax Department, the Registrar of Companies and the National Medical Council must act under their respective statutes and regulations. They are not bound by the factual findings of the Apex Committee and must form their own opinions on the material placed before them.

13.72. The position that emerges from the Codes and the record is clear.

13.72.1. The DOP was competent under Clause 10.7 of UCPMP 2024 to receive the complaint, forward it to the OPPI and order a special audit.

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13.72.2. The ECPMP's decision dated 20.09.2024 attained finality within the Association's complaint mechanism. That finality did not prevent the DOP from completing its independent inquiry under Clause 10.7.

13.72.3. The special audit was ordered before the ECPMP delivered its decision. The audit and the proceedings before the ECPMP were separate processes. The audit report was not an appeal against the ECPMP's decision.

13.72.4. The DOP's independent role under Clause 10.7 must be read with Clauses 12 and 13. The Code provides for reprimand and publication under Clause 12(ii), recommendations to Government agencies under Clause 12(v), and an Apex Committee headed by the Secretary of the DOP under Clause 13.1. Clause 13.4 recognises the Apex Committee's power to prescribe penalties or make references in accordance with Clause 12.

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13.72.5. The Apex Committee did not set aside or modify the ECPMP's decision. It considered the findings of the DOP's independent audit and the Petitioner's response. Its action was not an appellate reversal of the ECPMP's decision.

13.72.6. The impugned order did not impose a monetary penalty or bind the statutory agencies to take action. It reprimanded the Petitioner, directed publication in accordance with the Code and made requests to Government agencies to act under their respective laws.

13.73. The Petitioner's challenge rests on treating the ECPMP's decision as a complete bar to any further action. The Code does not support that interpretation. Clause 11.10 makes the ECPMP's decision final within the Association's complaint mechanism. Clause 10.7 independently empowers the DOP to examine a complaint received by it and to order a special audit. The latter power does not cease merely because the Association's Ethics Committee has delivered its decision.

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13.74. The Apex Committee acted on the DOP's independent inquiry, not in appeal over the ECPMP's decision. The Code must be read as an integrated scheme. Clauses 10.7, 12 and 13, read with the DOP's supervisory and implementation functions under Clause 14, permit the Department to examine the audit findings through the Apex Committee and to take the action contemplated by the Code. The absence of an appeal by a party to the ECPMP proceedings does not invalidate this separate process.

13.75. The Petitioner was furnished with the audit material, responded to the audit memos and report, and was heard by the Apex Committee. The impugned order followed that process. It does not reopen or reverse the ECPMP's decision within the Association's mechanism. The Petitioner has therefore not established that the Apex Committee acted without authority or that the impugned order is liable to be quashed on this ground.

13.76. This finding is confined to the authority of the DOP and the Apex Committee to proceed on the

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DOP's independent inquiry. The correctness of the findings relating to the alleged breaches, the application of the respective Codes to the two conferences and the legality of the consequential proceedings are considered under the other Points.

13.77. This Court answers Point No. (ii) by holding that the Apex Committee was justified in proceeding on the basis of the DOP's independent inquiry and in passing the impugned order dated 23.12.2024, notwithstanding the decision of the ECPMP dated 20.09.2024. The ECPMP's decision was final within the Association's complaint mechanism but did not bind the DOP or prevent it from exercising its independent power under Clause 10.7 of UCPMP 2024. The Apex Committee acted on the audit findings and the Petitioner's response; it did not sit in appeal over or set aside the ECPMP's decision. The absence of an appeal or review under Clause 13 does not invalidate the impugned order.

14. **<u>Answer to Point No. (iii):</u> Whether the proceedings initiated by the Department of Pharmaceuticals, including the special audit and the consequential action taken by the**

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Registrar of Companies under Section 206 of the Companies Act, 2013, are without jurisdiction or otherwise unsustainable in law on the grounds urged by the Petitioner?

14.1. Sri Udaya Holla, learned Senior Counsel appearing for the Petitioner, advances two sets of submissions. The first concerns the special audit ordered by the DOP. The second concerns the inquiry initiated by the Registrar of Companies (ROC).

14.2. On the special audit, he submits that, even if the DOP had the power to constitute a Special Audit Committee, the audit was not conducted by qualified auditors. He relies on Clause 14.3 of UCPMP 2024, which requires the DOP to notify a panel of auditors comprising either audit firms of standing empanelled by the CAG or reputed commercial audit firms having experience in dealing with such matters. He contends that the audit had to be conducted by auditors drawn from that panel and that the Petitioner's consent and concurrence were necessary. According to him, the unilateral

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appointment of the audit team did not comply with Clause 14.3.

14.3. On the ROC's notice dated 12.05.2026, learned Senior Counsel submits that it is based entirely on the impugned order. He refers to paragraph (ix) of the notice, which specifically refers to the order passed by the Apex Committee in ACPMP No.01/2024. Paragraph (x) refers to the expenditure of Rs.1.91 crores on travel tickets and hotel accommodation for what the Apex Committee described as "extravagant pleasure trips under the guise of conferences". He contends that the ROC has acted only on the basis of the impugned order and that the Ministry of Corporate Affairs had no independent basis to initiate an inquiry.

14.4. He further submits that the impugned order contains no direction or recommendation to the ROC. It merely reprimands the Petitioner. Neither the ECPMP nor the Apex Committee contemplated or authorised an inquiry by the ROC. The ROC has therefore acted without jurisdiction, and its notice and consequential proceedings are liable to be quashed.

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14.5. He relies on ***Union of India and Others v. Ram Lakhan Sharma*** [(2018) 7 SCC 670] (paragraphs 24 and 33). He submits that disciplinary proceedings are quasi-judicial in nature and that the officer conducting an inquiry must act as an independent and impartial adjudicator. Such an officer cannot also act as the presenting officer. He contends that Respondent No.4 has not acted independently and has merely followed instructions received from the Ministry.

14.6. He relies on ***Union of India v. Mahendra Singh*** [2022 SCC OnLine SC 909] (paragraphs 15 and 16) for the principle that, where a particular procedure is prescribed, the authority must follow that procedure. He submits that the impugned action was taken without following the mandatory procedure prescribed by law.

14.7. He also relies on ***Sudarshan V. Biradar v. State of Karnataka*** [2023 SCC OnLine Kar 178] (paragraph 14). He submits that the rule-making power of an authority cannot extend beyond the parent enactment. Since the impugned order contains no direction or

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recommendation to the ROC, he contends that Respondent No.4 has exceeded its authority by initiating an inquiry. Any action taken by a statutory authority without the authority of the parent enactment, according to him, is ultra vires and unsustainable in law.

14.8. On the merits of the proposed inquiry, learned Senior Counsel submits in his rejoinder that a delegate also gains knowledge by attending a conference. It is not only the speaker who learns from the conference. Indeed, the delegate attends to learn from the speakers and applies that knowledge in professional practice. The Petitioner sponsored the doctors for that purpose, and the doctors thereafter used the knowledge gained to train other doctors.

14.9. Smt. Nayanatara B.G., learned counsel appearing for Respondents No.1, 2 and 4, makes the following submissions.

14.10. On the special audit, she relies on Clause 10.7 of UCPMP 2024, which empowers the DOP to order a special audit. The DOP exercised that power by its order dated 02.09.2024. The audit

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was conducted by an internal audit team of the DOP, headed by Dr. Ranjitha of the Office of the Chief Controller of Accounts. The Petitioner was informed of the audit by letter dated 02.09.2024 (Annexure-M). The letter set out the documents required and informed the Petitioner that members of the team would visit its office. The Petitioner furnished the documents, though under protest, and submitted replies to the audit memos. The relevant dates and details are considered under Point (ii). The purpose of the audit was to verify the allegations and examine the underlying records.

14.11. In her sur-rejoinder, learned counsel submits that the power to order a special audit under Clause 10.7 is distinct from the requirement under Clause 14.3 to notify a panel of auditors. Clause 14.3 does not govern every special audit ordered under Clause 10.7. Neither provision requires the consent or concurrence of the company being audited.

14.12. On the ROC's notice, learned counsel relies on Section 206 of the Companies Act, 2013. She

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submits that the ROC has independent statutory power to call for information, inspect the books of account and conduct an inquiry by issuing a written notice. These powers do not depend on the proceedings before the ECPMP, the OPPI or the Apex Committee.

14.13. She further submits that the affairs and conduct of the Petitioner's business require examination independently of the reprimand issued by the Apex Committee. The ROC is entitled to examine other aspects of the company's functioning. The notice dated 12.05.2026 seeks financial statements, reports, audit details, board minutes and other company records. The Petitioner is required to furnish those records so that the ROC can examine the company's affairs.

14.14. Learned counsel submits that the inquiry will be conducted in accordance with the procedure prescribed under Chapter XIV of the Companies Act, 2013.

14.15. She also relies on Regulation 6.8 of the IMC Regulations 2002. She submits that a medical practitioner cannot accept free travel or

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hospitality from a pharmaceutical company for attending a conference as a delegate. The doctors sponsored by the Petitioner were delegates and could not lawfully accept those benefits. The Petitioner was aware of the Regulation and could not have provided such benefits. In her sur-rejoinder, she reiterates that the Regulation prohibits a delegate from accepting the benefits and that the fact that a delegate may also acquire knowledge at the conference does not alter the prohibition.

14.16. This Point has two parts. The first concerns the special audit ordered by the DOP under UCPMP 2024. The second concerns the notice dated 12.05.2026 issued by the ROC under Section 206 of the Companies Act, 2013. The two matters arise under different legal provisions and must be examined separately.

SPECIAL AUDIT ORDERED BY THE DOP

14.17. The power of the DOP to order a special audit is expressly contained in Clause 10.7 of UCPMP 2024. UCPMP 2014 contains no corresponding provision. The special audit in the present case was ordered on 02.09.2024, after UCPMP 2024

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had been issued. The DOP invoked Clause 10.7 for that purpose.

14.18. Clause 10.7 provides:

> *"Any complaint received by the Department of Pharmaceuticals may also be forwarded to the concerned Association for necessary action. In such cases, the concerned Association will take up the matter further with the complainant concerned. The Department may order a special audit for the purpose."*

14.19. The provision expressly empowers the DOP to order a special audit in relation to a complaint received by it. As held under Point (i), this is an independent power of the Department. It is not dependent on the complaint satisfying the requirements applicable to complaints lodged directly with an Association.

14.20. The Petitioner's objection is based on Clause 14.3 of UCPMP 2024, which reads:

> *"14.3 The Department of Pharmaceutical will notify a panel of auditors, either audit firms of standing empanelled by the CAG or commercial audit firms of repute having an experience of dealing with such matters."*

14.21. According to the Petitioner, the audit team had to be selected from this panel and the

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Petitioner's consent and concurrence were required before the audit could be conducted.

14.22. This interpretation does not follow from the language of the two provisions. There are three reasons for rejecting the Petitioner's submission.

14.22.1. Clause 10.7 expressly confers the power to order a special audit. Clause 14.3 requires the DOP to notify a panel of auditors. The latter provision does not state that every special audit ordered under Clause 10.7 must necessarily be conducted by a firm drawn from that panel. It does not say that the audit power under Clause 10.7 can be exercised only through an empanelled external audit firm. The Petitioner seeks to introduce a restriction which neither provision contains. The two provisions deal with distinct matters: Clause 10.7 confers the power to order a special audit, while Clause 14.3 requires the Department to notify a panel of auditors.

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14.22.2. Neither Clause 10.7 nor Clause 14.3 requires the consent or concurrence of the company subjected to audit. A special audit is an independent fact-finding exercise undertaken by the Department to verify information received by it. If the audit depended on the consent of the company being examined, the exercise of the Department's power would depend on the cooperation of the very entity whose records are to be examined. The Code does not impose such a condition, and the Court cannot introduce one.

14.22.3. The Petitioner has not placed any material to establish that the officers who conducted the audit lacked the necessary qualifications or experience. The audit was conducted by an internal team of the DOP headed by an officer from the Office of the Chief Controller of Accounts. The Petitioner has not identified any specific qualification which the members of the team lacked, nor has it shown that any member was

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incompetent to examine the relevant records.

14.23. The Petitioner also participated in the audit. It furnished documents and submitted replies to the audit memos dated 06.09.2024, 10.09.2024 and 12.09.2024. It received the audit report and submitted a further reply on 12.10.2024. This participation does not dispense with compliance with the Code, but it is relevant to the question of prejudice. The Petitioner has not shown how the composition of the audit team impaired its ability to respond to the audit or affected the fairness of the exercise.

14.24. The objection based on Clause 14.3 therefore fails. The special audit was ordered by the DOP under Clause 10.7, a provision which expressly confers that power. The Petitioner has not established that the audit was conducted by an incompetent team, that the DOP acted outside its authority or that the procedure adopted caused prejudice.

14.25. There is also no specific prayer seeking to quash the special audit as an independent

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action. The audit was ordered on 02.09.2024, before the impugned order dated 23.12.2024. It was not a proceeding initiated pursuant to the impugned order. The audit report is material considered by the Apex Committee. It records, among other things, that none of the doctors was a speaker and that the expenditure was treated as marketing expenditure.

NOTICE ISSUED BY THE REGISTRAR OF COMPANIES

14.26. The second part concerns the notice dated 12.05.2026 issued by the ROC. The notice is headed:

> *"Inquiry in the matter of ABBVIE HEALTHCARE INDIA PRIVATE LIMITED ... u/s 206(4) of the Companies Act, 2013."*

14.27. The relevant provisions of Section 206 of the Companies Act, 2013, read as follows:

> *"**206. Power to call for information, inspect books and conduct inquiries.—***
>
> *(1) Where on a scrutiny of any document filed by a company or on any information received by him, the Registrar is of the opinion that any further information or explanation or any further documents relating to the company is necessary,*

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he may by a written notice require the company—

(a) to furnish in writing such information or explanation; or

(b) to produce such documents, within such reasonable time, as may be specified in the notice."

14.28. Sub-section (4) provides:

"(4) If the Registrar is satisfied on the basis of information available with or furnished to him or on a representation made to him by any person that the business of a company is being carried on for a fraudulent or unlawful purpose or not in compliance with the provisions of this Act or if the grievances of investors are not being addressed, the Registrar may, after informing the company of the allegations made against it by a written order, call on the company to furnish in writing any information or explanation on matters specified in the order within such time as he may specify therein and carry out such inquiry as he deems fit after providing the company a reasonable opportunity of being heard:

Provided that the Central Government may, if it is satisfied that the circumstances so warrant, direct the Registrar or an inspector appointed by it for the purpose to carry out the inquiry under this sub-section: ..."

14.29. These provisions confer distinct but related powers on the Registrar. Under Section 206(1), the Registrar may call for further information, an explanation or documents where scrutiny of the company's filings or information received by him makes such material necessary.

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14.30. Section 206(4) provides for an inquiry where the Registrar is satisfied, on the basis of information available to him or furnished by any person, that the company's business is being carried on for a fraudulent or unlawful purpose, is not in compliance with the Companies Act, or that investor grievances are not being addressed. The Registrar must inform the company of the allegations by a written order, specify the matters on which information or explanation is required and provide a reasonable opportunity of being heard before carrying out the inquiry.

14.31. The first proviso also empowers the Central Government, where the circumstances warrant, to direct the Registrar or an appointed inspector to conduct the inquiry. The source of these powers is the Companies Act itself. They are independent of the powers exercised under UCPMP.

14.32. The Petitioner's principal objection is that the ROC's notice is founded only on the impugned order and that the Apex Committee did not

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direct the ROC to initiate an inquiry. The notice itself does not support that contention.

14.33. The first paragraph of the notice dated 12.05.2026 states:

> *"WHEREAS, the Ministry of Corporate Affairs has ordered Inquiry into the affairs of the company under section 206(4) of the Companies Act, 2013, hereinafter referred to as 'Act', vide Order No. CL-II-08/122/2025-O/o DGCoA-MCA dated 21.01.2026."*

14.34. The second paragraph states that the notice is issued: *"in compliance of the directions of the Ministry"* and requires the company to furnish the specified information within 15 days.

14.35. The notice thus identifies the source of the inquiry as the order of the Ministry of Corporate Affairs dated 21.01.2026, bearing Order No. CL-II-08/122/2025-O/o DGCoA-MCA. The notice refers to an order made under Section 206(4), which contains the power of the Central Government to direct the Registrar or an inspector to conduct an inquiry.

14.36. The Central Government's order dated 21.01.2026 has not been placed before this Court. It has not been challenged in these

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proceedings. The Ministry of Corporate Affairs, which issued that order, is not a party to this petition. This Court cannot presume the contents or the reasons recorded in that order, nor can it declare the order invalid without the order itself and without hearing the authority which issued it.

14.37. The impugned order of the Apex Committee is mentioned in two of the fifteen requisitions in the ROC's notice, namely items (ix) and (x). Item (ix) refers to the order dated 23.12.2024 and calls upon the Petitioner to furnish details of the events leading to it, together with information on whether the company complied with the order or challenged it. Item (x) refers to the expenditure of Rs.1.91 crores on travel tickets and hotel accommodation for the doctors and calls upon the Petitioner to explain the accounting treatment of that expenditure.

14.38. Item (xi) seeks the Professional Services Agreements and details of payments made to the healthcare professionals. It does not depend on the impugned order. The remaining requisitions seek information concerning

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financial statements, qualifications of auditors, board minutes, bank accounts, key managerial personnel, related-party transactions, directors, remuneration and pending litigation.

14.39. The notice therefore does not rest exclusively on the impugned order. It seeks information on several aspects of the Petitioner's affairs under the Companies Act. The reference to the Apex Committee's order in two of the fifteen requisitions does not establish that the entire inquiry is founded on that order.

14.40. The submission that the ROC could not act because the Apex Committee did not issue a direction or recommendation to it is misconceived. The ROC does not require a direction from the Apex Committee to exercise powers conferred by Section 206. The statutory provision permits the Registrar to act on information received by him or information available with him. It does not make a recommendation from the Apex Committee or any other body a condition for initiating an inquiry.

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14.41. The Apex Committee's order may constitute information available to the ROC. The ROC is entitled to take note of that information while considering whether an inquiry is necessary. Equally, the Registrar must exercise his own statutory judgment and follow the procedure prescribed by Section 206. The impugned order does not confer jurisdiction on the ROC; that jurisdiction comes directly from the Companies Act.

14.42. The Petitioner relies on ***Sudarshan V. Biradar v. State of Karnataka*** [2023 SCC OnLine Kar 178] (paragraph 14). The paragraph begins with the principle:

> *"It is trite law that the Rule making power conferred upon by the parent Act cannot travel beyond the mandate of the parent Act".*

14.43. It also reproduces the following passage from ***Kerala State Electricity Board v. Thomas Joseph*** [2022 SCC OnLine SC 1737] (decided on 16.12.2022, paragraph 67):

> *"Delegated legislation should not travel beyond the purview of the parent Act. If it does, it is ultra vires and cannot be given any effect."*

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14.44. Paragraph 14 also reproduces passages from ***Union of India v. A. Srinivasan*** [(2012) 7 SCC 683] (paragraph 21); ***Kallu Khan v. State of Madhya Pradesh*** [2022 SCC OnLine MP 243] (paragraph 15); ***General Officer Commanding-in-Chief v. Subhash Chandra Yadav*** [(1988) 2 SCC 351] (paragraph 14); ***Delhi Administration v. Siri Ram*** [(2000) 5 SCC 451]; ***Sukhdev Singh v. Bhagatram Sardar Singh Raghuvanshi*** [(1975) 1 SCC 421] (paragraph 18); ***State of Karnataka v. H. Ganesh Kamath*** [(1983) 2 SCC 402] (paragraph 7); ***Kunj Behari Lal Butail v. State of Himachal Pradesh*** [(2000) 3 SCC 40] (paragraph 13); ***St. Johns Teachers Training Institute v. National Council for Teacher Education*** [(2003) 3 SCC 321] (paragraph 10); ***Global Energy Ltd. v. Central Electricity Regulatory Commission*** [(2009) 15 SCC 570] (paragraphs 25 and 73); ***State of Tamil Nadu v. P. Krishnamurthy*** [(2006) 4 SCC 517] (paragraph 16); ***Pratap Chandra Mehta v. State Bar Council of Madhya Pradesh*** [(2011) 9 SCC 573] (paragraph 58); ***Dr. Mahachandra Prasad***

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Singh v. Chairman, Bihar Legislative Council [(2004) 8 SCC 747] (paragraph 13); and ***McEldowney v. Forde*** [1971 A.C. 632].

14.45. The principle stated in those authorities is that delegated legislation must remain within the limits of the parent statute. A rule or regulation cannot confer a power which the statute itself does not permit.

14.46. That principle does not assist the Petitioner. The authorities cited concern subordinate legislation made under a statute and the limits of the rule-making power. The ROC has not relied on any delegated legislation to initiate the present inquiry. The ROC relies on Section 206 of the Companies Act, 2013, and on the order of the Central Government referred to in the notice. The Petitioner has not established that the ROC has acted under a rule which travels beyond the parent Act. Nor has it shown that Section 206 does not authorise the inquiry.

14.47. The principle in ***Sudarshan v. Biradar*** remains applicable in the sense that the ROC must act within the limits of Section 206. This Court has directed that the inquiry be conducted strictly in

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accordance with that provision. But the absence of a recommendation from the Apex Committee does not make the ROC's action ultra vires. The statutory source of the ROC's authority is Section 206 itself.

14.48. The Petitioner also relies on ***Union of India and Others v. Ram Lakhan Sharma*** [(2018) 7 SCC 670] (paragraphs 24 and 33). The Hon'ble Supreme Court held:

> *"The disciplinary proceedings are quasi-judicial proceedings, and the Enquiry Officer is in the position of an independent adjudicator and is obliged to act fairly, impartially." (Paragraph 24.)*

14.49. It further held:

> *"The Enquiry Officer, who is in the position of a Judge shall not act as a Presenting Officer, who is in the position of a prosecutor." (Paragraph 33)*

14.50. The principle is that the officer who adjudicates a disciplinary charge must act independently and must not combine the role of adjudicator with that of prosecutor.

14.51. That decision does not invalidate the present notice. It concerned a departmental disciplinary inquiry in which the same officer had taken part

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in presenting the evidence and adjudicating the charge. The ROC's notice dated 12.05.2026 is not a final finding or an order imposing liability. It calls for information and documents as part of an inquiry. No finding has yet been recorded against the Petitioner.

14.52. The Petitioner has not pleaded or produced material to show that the ROC has prejudged the matter, acted as a prosecutor or taken any step which would prevent an independent consideration of the Petitioner's explanation. The contention that the ROC acted "as per the instructions received" does not by itself establish bias or lack of independence. The first proviso to Section 206(4) expressly permits the Central Government to direct the Registrar or an appointed inspector to conduct an inquiry. Acting on such a direction is contemplated by the statute.

14.53. The principle in ***Ram Lakhan Sharma*** will govern the manner in which the Registrar conducts the inquiry and reaches a conclusion. Nothing in this judgment permits the Registrar

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to prejudge the matter or to act otherwise than fairly and impartially.

14.54. The Petitioner also relies on ***Union of India v. Mahendra Singh*** [2022 SCC OnLine SC 909] (paragraphs 15 and 16). The principle in that decision has already been extracted under Point (i), paragraph 33, and need not be repeated.

14.55. Applied to Section 206(4), the principle requires the Registrar to follow the statutory procedure. He must be satisfied on the basis of information available to him; inform the company of the allegations by a written order; specify the matters on which information or explanation is sought; and conduct the inquiry after giving the company a reasonable opportunity of being heard.

14.56. The Petitioner has not identified any particular step in that procedure which the ROC has already failed to follow. In particular, it has not established at this stage that the notice or the inquiry has resulted in a final finding without the company being informed of the allegations and given an opportunity to respond. The challenge is principally that the ROC had no

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authority to act in the absence of a recommendation from the Apex Committee. For the reasons already stated, that submission is incorrect.

14.57. Learned counsel for Respondents No.1, 2 and 4 has stated that the procedure prescribed under Chapter XIV of the Companies Act, 2013, will be followed. This statement is recorded and shall bind Respondent No.4. The inquiry must be conducted strictly in accordance with Section 206(4), including by informing the Petitioner in writing of the allegations against it, specifying the matters on which information or explanation is sought and giving it a reasonable opportunity of being heard.

14.58. The notice is not being upheld as a finding against the Petitioner. It is upheld as an initiation of inquiry under the statutory power, subject to strict compliance with the procedure prescribed by the Act.

14.59. The ROC must identify the allegations and the matters requiring examination in the manner prescribed by Section 206(4). The present judgment does not authorise an unrestricted

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inquiry into matters unrelated to the statutory requirements.

REGULATION 6.8 OF THE IMC REGULATIONS AND THE NATURE OF THE SPONSORSHIP

14.60. Learned counsel for Respondents No.1, 2 and 4 relies on Regulation 6.8 of the IMC Regulations 2002 to explain why an inquiry into the expenditure is warranted. The Petitioner responds that a doctor attending a conference as a delegate also acquires knowledge. The relevant provisions of Regulation 6.8.1 read as follows:

> *"(b) Travel Facilities A medical practitioner shall not accept any travel Facility inside the country or outside, including rail, road, air, ship, cruise tickets, paid vacation, etc. from any pharmaceutical or allied healthcare industry or their representatives for self and family members for vacation or for attending conferences, seminars, workshops, CME Programme. etc. as a delegate."*
>
> *"(c) Hospitality. A medical practitioner shall not accept individually any hospitality like hotel accommodation for self and family members under any pretext."*

14.61. The provisions are clear. A medical practitioner attending a conference as a delegate cannot accept travel facilities or hotel accommodation from a pharmaceutical or allied healthcare

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company. The prohibition applies to the benefits specified in the Regulation. It is not displaced merely because the doctor may acquire knowledge during the conference.

14.62. The relevant distinction is the capacity in which the doctor attends the conference. The Regulation prohibits acceptance of the specified benefits by a doctor attending as a delegate. It does not turn on whether the doctor learns from the speakers or derives professional benefit from attending.

14.63. UCPMP 2024 imposes a corresponding obligation on pharmaceutical companies. Clauses 8.2 and 8.3 provide:

> *"8.2 Travel: Companies or their representatives, or any person acting on their behalf, should not extend travel facilities inside or outside the country, including rail, air, ship, cruise tickets, paid vacations, etc., to healthcare professionals or their family members (both immediate and extended) for attending conferences, seminars, workshops etc., unless the person is a speaker for a CME or a CPD Program."*
>
> *"8.3 Hospitality: Companies or their representatives, or any person acting on their behalf, should not extend hospitality like hotel stay, expensive cuisine, resort accommodation etc., to healthcare professionals or their family members (both immediate and extended) unless the person is a speaker for a CME or a CPD program."*

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14.64. UCPMP 2014 contains corresponding restrictions in Clauses 7.1 and 7.2, which read:

> *"7.1 Travel facilities: Companies or their associations/representatives or any person acting on their behalf shall not extend any travel facility inside the country or outside, including rail, air, ship, cruise tickets, paid vacations, etc., to HealthCare Professionals and their family members for vacation or for attending conference, seminars, workshops, CME programme etc. as a delegate. It is hereby clarified that in any seminar, conference or meeting organized by a pharmaceutical company for promoting a drug or disseminating information, if a medical practitioner participates as a delegate, it will be on his/her own cost."*
>
> *"7.2 Hospitality: Companies or their associations/representatives shall not extend any hospitality like hotel accommodation to Healthcare Practitioners and their family members under any pretext."*

14.65. Read together, the Codes and the IMC Regulations address both sides of the same transaction. The Regulations prohibit a medical practitioner from accepting the specified benefits when attending as a delegate. The Codes prohibit a pharmaceutical company from providing those benefits.

14.66. UCPMP 2014 expressly restricts travel facilities to a healthcare professional attending as a delegate and prohibits hotel accommodation under any pretext. UCPMP 2024 prohibits travel

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and hospitality for attending conferences, seminars and workshops, subject to the stated exception for a speaker at a CME or CPD programme.

14.67. The Petitioner's submission that a delegate also learns from a conference does not answer the prohibition. The relevant question is whether the doctor attended as a delegate or as a speaker, or whether the engagement fell within a distinct permissible professional arrangement.

14.68. The Petitioner relies on Regulation 6.8.1(g), which permits a medical practitioner to work for pharmaceutical and allied healthcare industries in a professional capacity. The provision reads:

> *"g) Affiliation: A medical practitioner may work for pharmaceutical and allied healthcare industries in advisory capacities, as consultants, as researchers, as treating doctors or in any other professional capacity. In doing so, a medical practitioner shall always:*
>
> *(i) Ensure that his professional integrity and freedom are maintained.*
>
> *(ii) Ensure that patients' interests are not compromised in any way.*
>
> *(iii) Ensure that such affiliations are within the law.*
>
> *(iv) Ensure that such affiliations/employments are fully transparent and disclosed."*

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14.69. Regulation 6.8.1(g) permits a medical practitioner to render professional services to a pharmaceutical company as a consultant, adviser, researcher, treating doctor or in another professional capacity. That permission is subject to the safeguards expressly set out in the provision. It requires professional integrity, protection of patient interests, compliance with law and full transparency.

14.70. The provision does not grant a general exemption from the restrictions on travel and hospitality. A company cannot treat every arrangement described as a consultancy or professional services agreement as falling within Regulation 6.8.1(g). The substance of the engagement, the services actually rendered and the benefits provided must be examined.

14.71. Three aspects of the present record are relevant.

14.71.1. First, the Petitioner does not dispute that it arranged and paid for the air travel and hotel accommodation of the doctors who attended IMCAS 2024 and AMWC 2024. Its case is that the doctors had

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entered into Professional Services Agreements and were required to acquire knowledge at the conferences and thereafter train other doctors.

14.71.2. Secondly, the Petitioner has not contended in its submissions that the 30 doctors were speakers at either conference. Its explanation is that they attended as part of the professional engagements and that even a delegate gains knowledge by attending a conference. That explanation does not, by itself, establish that the doctors were engaged in the capacity contemplated by Regulation 6.8.1(g).

14.71.3. Thirdly, the Petitioner's written position statement dated 27.03.2026 submitted to the Income Tax Department places the doctors in a separate category described as "HCPs who attended events under KDA engagements". It distinguishes that category from "HCPs engaged as speakers" for events organised by the Petitioner. The

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statement asserts that the Petitioner did not intend to sponsor those doctors as "passive delegates". This distinction in the Petitioner's own statement confirms that the nature of the engagements and the capacity in which the doctors attended require examination.

14.72. The real factual issue is whether the doctors attended the conferences as delegates or under genuine Professional Services Agreements falling within Regulation 6.8.1(g). That question must be decided on the basis of the agreements, the nature of the services undertaken, the actual participation of the doctors at the conferences and the work performed by them thereafter. The ECPMP, the Special Audit Committee and the Apex Committee reached different conclusions on this issue.

14.73. If the competent authority finds that the expenditure was incurred in breach of the applicable provisions, the further question of how that expenditure was recorded in the Petitioner's books and financial statements, and

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whether it was properly claimed in its tax returns, must be examined by the ROC and the Income Tax Department under their respective statutes. The ECPMP's decision or the impugned order cannot replace the independent assessment required of those authorities.

14.74. UCPMP 2024 itself recognises that expenditure incurred on such events remains subject to the Income Tax Act. Clause 6.2(v) provides:

> *"Entities incurring expenditure on such events, as well as participants and speakers, must comply with the relevant provisions of the Income Tax Act 1961 as amended from time to time."*

14.75. This provision makes it clear that UCPMP does not displace the Income Tax Act. The company and the doctors remain subject to the requirements of the tax law. The ECPMP also recognised this position while answering Issue No.5, when it held that questions of tax liability fell within the domain of the Income Tax authorities.

EFFECT OF THE IMPUGNED ORDER ON THE ROC'S INQUIRY

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14.76. The effect of the impugned order on items (ix) and (x) of the ROC's notice must be clarified. Those two items refer to the Apex Committee's order. Item (ix) calls upon the Petitioner to explain the circumstances leading to the order and whether the Petitioner complied with or challenged it. Item (x) refers to the expenditure of Rs.1.91 crores and calls upon the Petitioner to explain how the expenditure was accounted for.

14.77. The ROC is entitled to take note of the impugned order as information available to it. However, the findings recorded by the Apex Committee and the Special Audit Committee are not binding findings of fact for the purpose of the inquiry under Section 206(4). The Petitioner is entitled to dispute those findings before the ROC. The ROC must consider the Petitioner's explanation and the supporting documents and arrive at its own conclusion.

14.78. Items (ix) and (x) of the notice must therefore be read in that manner. Item (xi), which seeks the Professional Services Agreements and payment details, and the other requisitions

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seeking company records do not depend on the impugned order. They remain within the scope of the inquiry, subject to the requirements of Section 206.

14.79. The Petitioner's submission that the ROC's inquiry was neither envisaged nor permitted by the ECPMP or the Apex Committee does not assist it. The ROC's authority does not arise from either committee. It arises from Section 206 of the Companies Act, 2013. The Codes cannot curtail a statutory power conferred by Parliament.

14.80. The ROC must nevertheless act within Section 206. The impugned order cannot be treated as a final finding binding on the ROC, and the Registrar must independently examine the material and the Petitioner's response. Subject to that requirement, the inquiry cannot be quashed merely because the Apex Committee did not direct the ROC to initiate it.

14.81. The authorities relied upon by the Petitioner do not establish that the special audit or the ROC's notice is without jurisdiction. ***Sudarshan v. Biradar*** is distinguishable because it concerns

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the limits of delegated legislation. ***Ram Lakhan Sharma*** states the requirement of fairness and impartiality in a quasi-judicial inquiry, but the ROC's notice is at the stage of calling for information and no final finding has been recorded. ***Mahendra Singh*** requires strict compliance with the procedure prescribed by the governing law. That principle is preserved by directing the ROC to comply strictly with Section 206(4).

14.82. In the above circumstances, the special audit ordered by the DOP is not shown to be without jurisdiction. Clause 10.7 expressly empowers the DOP to order a special audit. Clause 14.3 does not require that every such audit be conducted only by an external firm drawn from the notified panel, nor does it require the company's consent or concurrence. The Petitioner has also failed to establish that the audit team was incompetent or that the audit caused prejudice.

14.83. The ROC's notice dated 12.05.2026 is founded on Section 206(4) of the Companies Act, 2013, and refers to the Central Government's order

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dated 21.01.2026. The absence of a direction from the Apex Committee does not invalidate the notice. The ROC has independent statutory powers to call for information and conduct an inquiry. The impugned order is only one source of information referred to in two of the fifteen requisitions; it is not shown to be the sole basis of the inquiry.

14.84. The inquiry must, however, be conducted strictly in accordance with Section 206(4). The ROC must inform the Petitioner in writing of the allegations, specify the matters on which information is sought and give the Petitioner a reasonable opportunity of being heard. The Registrar must form his own opinion and must not treat the findings of the Apex Committee or the Special Audit Committee as binding. The treatment of the expenditure in the Petitioner's books and tax returns is for the ROC and the Income Tax Department to determine independently under their respective statutes.

14.85. This court answers Point No. (iii) by holding that the special audit ordered by the DOP is not vitiated merely because the auditors were not

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drawn from a panel under Clause 14.3 of UCPMP 2024. The ROC's notice dated 12.05.2026 is founded on Section 206(4) of the Companies Act, 2013, and is not liable to be quashed for want of a direction or recommendation from the Apex Committee. The ROC must conduct the inquiry strictly in accordance with Section 206(4), inform the Petitioner in writing of the allegations, give it a reasonable opportunity of being heard and form its own view without treating the findings in the impugned order as binding.

15. **<u>Answer to Point No. (iv):</u> Whether the Petitioner has made out grounds for quashing the impugned order dated 23.12.2024 and the consequential proceedings, including the summons dated 13.01.2026 and 09.02.2026 issued by the Income Tax Department and the notice dated 12.05.2026 issued by the Registrar of Companies, and for grant of the consequential reliefs sought in the writ petition?**

15.1. Learned Senior Counsel submits that the Petitioner manufactures medical devices falling under Class C, which are imported and marketed in India after obtaining the requisite

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regulatory approvals. These devices are injectable products used on the face. Their safe and effective use requires regular training of healthcare professionals. An incorrect injection may cause rare but serious complications, including loss of vision. The packaging itself carries a warning that the products should be used only by medical practitioners having appropriate training and experience.

15.2. For this reason, the Petitioner entered into Professional Services Agreements with doctors. The doctors received training and were thereafter expected to train other doctors in India. Some of this training took place at international conferences, including IMCAS 2024, held from 01.02.2024 to 03.02.2024, and AMWC 2024, held from 26.03.2024 to 29.03.2024. The Petitioner paid for their travel and accommodation.

15.3. He submits that the Professional Services Agreements were intended exclusively for training. They were not linked to the doctors recommending, administering or prescribing the Petitioner's products. Nor did they influence the

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doctors' professional choices. The engagements therefore had no connection with business promotion.

15.4. He further submits that IMCAS 2024 was organised by a reputed independent international organisation and attended by more than 18,000 doctors from across the world. Six doctors sponsored by the Petitioner attended that conference. The Petitioner neither organised the conference nor had any control over the choice of its venue.

15.5. Learned Senior Counsel also submits that the pharmaceutical industry was in the process of transitioning from UCPMP 2014 to UCPMP 2024 and that commitments made before the new Code came into force were governed by UCPMP 2014.

15.6. Learned Senior Counsel relies on the order dated 04.08.2026 passed by the Hon'ble Delhi High Court in ***Dr. Kiran Ninad Hebbalkar & Ors. v. ACPMP*** [W.P.(C) No.10370/2026 and C.M. Application No.48020/2026]. By that order, the operation of the impugned order dated 23.12.2024 was stayed insofar as it

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directed action against the Petitioners in that case.

15.7. He also relies on the order dated 27.07.2026 passed by the Hon'ble High Court of Gujarat in ***Dr. Jagdish Jadavbhai Sakhiya v. Gujarat Medical Council and Another*** [Special Civil Application No.9821/2026]. According to him, the Hon'ble High Court of Gujarat noticed that the pharmaceutical company which organised the conference had only been reprimanded, whereas the doctors were subjected to more serious action. On that basis, proceedings against the doctors were stayed. He submits that the same consideration applies to the present case.

15.8. Learned Senior Counsel further submits that the Ministry of Corporate Affairs has no independent basis to proceed against the Petitioner. The notice dated 12.05.2026 issued by the Registrar of Companies, as well as the summonses dated 13.01.2026 and 09.02.2026 issued by the Income Tax Department, are founded on the impugned order. The Petitioner did not challenge the impugned order earlier

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because it contained only a reprimand. It approached this Court when the Ministry and Department began acting on the basis of that order. He therefore seeks the reliefs prayed for in the writ petition.

15.9. Smt. Nayanatara B.G., learned counsel appearing for Respondents No.1, 2 and 4, submits that the orders of the Hon'ble Delhi High Court and the Hon'ble High Court of Gujarat are interim orders. The proceedings before those Courts have not been finally decided. She also points out that those petitions were filed by doctors and not by the Petitioner. The issues arising in proceedings against doctors are distinct from those arising in the present petition filed by the pharmaceutical company.

15.10. She submits that the notice issued by the Registrar of Companies is lawful, that the inquiry is necessary and that the writ petition deserves to be dismissed. Her detailed submissions regarding the Registrar's notice have been considered under Point (iii).

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15.11. Sri Y.V. Raviraj, learned counsel appearing for Respondent No.3, the Income Tax Department, submits that the powers of the Income Tax Department are independent of those exercised by the OPPI or the Apex Committee. A decision of the Ethics Committee or the Apex Committee does not prevent the Income Tax Department from initiating proceedings under the Income Tax Act, 1961, where the material warrants such action.

15.12. He further submits that neither the reprimand issued under the Code nor the remedial measures suggested by the Apex Committee can restrict the Income Tax Department from exercising its statutory powers. He seeks dismissal of the writ petition.

15.13. The question under this Point concerns the reliefs sought by the Petitioner. The Petitioner seeks three principal forms of relief: first, quashing of the impugned order dated 23.12.2024 under prayer A; secondly, quashing of the consequential proceedings, including the summonses issued by the Income Tax Department and the notice issued by the

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Registrar of Companies, under prayer B; and thirdly, a direction restraining the Respondents from taking coercive or precipitate steps under prayer C.

15.14. The legality of the impugned order has already been considered under Points (i) and (ii). The special audit and the notice issued by the Registrar of Companies have been considered under Point (iii).

15.15. This Point therefore addresses the grounds for the reliefs sought, the two Income Tax summonses, the effect of the impugned order on other authorities, the decisions of the Hon'ble Delhi High Court and the Hon'ble High Court of Gujarat, and the Petitioner's entitlement to the consequential reliefs.

15.16. The Petitioner has not established either of the grounds on which it seeks to quash the impugned order.

15.17. The first ground is that the proceedings originated from an anonymous complaint. As held under Point (i), the anonymous nature of the complaint did not prevent the DOP from

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receiving the information and examining it under Clause 10.7 of UCPMP 2024. The DOP was also entitled to order a special audit and refer the matter to the Apex Committee.

15.18. The second ground is that the Apex Committee could not proceed in the absence of an appeal or review against the decision of the ECPMP dated 20.09.2024. As held under Point (ii), the Apex Committee acted on the DOP's independent reference and did not sit in appeal or review over the ECPMP's decision. The finality of the ECPMP's decision within the Association's complaint mechanism did not prevent the DOP from exercising its independent functions under the Code.

15.19. The Petitioner has not contended that it was denied an opportunity of hearing before the Apex Committee. It has not established bias on the part of the Committee or bad faith on the part of the DOP. The proceedings were undertaken on the basis of the material gathered through the special audit, and the Petitioner was given an opportunity to respond.

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15.20. The grounds urged under Points (i) and (ii) therefore do not justify quashing the impugned order. Prayer A is liable to be refused.

SUMMONSES ISSUED BY THE INCOME TAX DEPARTMENT

15.21. The two summonses issued by the Income Tax Department are dated 13.01.2026 and 09.02.2026. Both were issued by the Deputy Director of Income Tax (Investigation) and are titled:

"Summons to Assessee/Witness under Section 131(1A) of the Income Tax Act, 1961."

15.22. Both summonses state that the Petitioner's attendance is required in connection with proceedings under the Income Tax Act, 1961.

15.23. The first summons, concerning Assessment Year 2024-25, requires the Petitioner to attend on 20.01.2026 and produce documents relating to the conferences held in Paris and Monaco, the expenditure incurred on them, the names and PAN details of the doctors; details of travel and hospitality expenses; income tax returns, balance sheets and financial statements for

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several assessment years; bank accounts and statements, and details of foreign assets.

15.24. The second summons, dated 09.02.2026, requires the Petitioner to attend on 13.02.2026 and furnish the PAN details of 11 doctors out of the 30 whose details had not been provided earlier. It also calls for ledger extracts, with narration, relating to expenditure recorded under the head "Other Expenses" in note 27 to the statement of profit and loss for Assessment Years 2021-22 to 2025-26.

15.25. Both summonses state that failure to comply may attract a penalty of Rs.10,000/- under Section 272A(1)(c) of the Income Tax Act, 1961, for each default.

15.26. The summonses themselves invoke Section 131(1A) and refer to Section 272A(1)(c) of the Income Tax Act, 1961. However, neither side has advanced a detailed submission on their scope. The Petitioner has also not challenged the authority of the issuing officer under the provisions mentioned in the summonses.

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15.27. The Court therefore confines its examination to the ground actually urged by the Petitioner, namely, that the summonses are proceedings initiated on the basis of the impugned order and that the Income Tax Department cannot proceed independently after the Apex Committee has dealt with the matter. No broader interpretation of Sections 131(1A) or 272A(1)(c) is called for in this petition.

15.28. The Petitioner has not established that the two summonses were issued pursuant to, in furtherance of, or solely on the basis of the impugned order. Its case rests mainly on the fact that paragraph (ii) of the operative part of the impugned order requested the Central Board of Direct Taxes to evaluate the tax liability of the Petitioner and the 30 doctors. That circumstance does not establish that the summonses were issued because of that request.

15.29. Neither summons refers to the impugned order, the Apex Committee or UCPMP. Both summonses state that the Petitioner's attendance and production of documents are

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required in connection with proceedings under the Income Tax Act. They seek information concerning the Petitioner's financial affairs as an assessee. A substantial part of the information sought, including tax returns, bank accounts, foreign assets and ledger extracts for several years, is not confined to the two conferences or to the findings in the impugned order.

15.30. Paragraph (ii) of the operative part of the impugned order states that the Central Board of Direct Taxes:

> *"is requested to evaluate the tax liability of M/s. AbbVie Healthcare India Pvt Ltd along with 30 HCPs and take action in accordance with the provisions of the Income Tax Act, 1961 read with the subordinate circulars issued in this regard."*

15.31. The language is clear. The Apex Committee made a request; it did not issue a direction to the Income Tax Department. A request or recommendation does not compel the receiving authority to act. The authority must examine the matter under its own statute and decide whether action is warranted.

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15.32. This is consistent with Clause 12(v) of UCPMP 2024, which permits the Committee to send recommendations to a government agency where the matter falls within that agency's statutory jurisdiction. The receiving agency remains governed by its own law.

15.33. Whether the Income Tax Department issued the summonses because of the impugned order or on the basis of other information is a question of fact. No material has been placed before this Court to establish that the impugned order was the source of the proceedings. A writ court cannot record a finding on that question without supporting material.

15.34. The ECPMP itself, while deciding Issue No.5, recognised that questions relating to tax liability fall within the jurisdiction of the Income Tax authorities. The Petitioner relies on the ECPMP's decision. It cannot accept the ECPMP's conclusion when it favours its case and reject the part recognising the independent jurisdiction of the tax authorities.

15.35. The Income Tax Department has also expressly stated before this Court that its powers are

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distinct from those of the OPPI and the Apex Committee. The position is correct. The Association's committee and the tax authorities operate under different legal frameworks. A decision under the Code does not determine the liability of an assessee under the Income Tax Act.

15.36. The Petitioner's own written position statement dated 27.03.2026, submitted to the Income Tax Department, records its response to the summonses and sets out its case on the deductibility of the expenditure incurred in connection with the healthcare professionals. The Petitioner has therefore placed its explanation before the tax authorities and is participating in those proceedings.

15.37. Whether the expenditure was incurred wholly and exclusively for business purposes, whether it is deductible under the Income Tax Act and whether the relevant amounts were correctly disclosed in the Petitioner's returns are matters for the Income Tax Department to determine under that Act. The Petitioner is entitled to raise all objections available to it before the

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assessing or investigating authority and before the appropriate statutory forum.

15.38. No ground is made out for quashing the summonses dated 13.01.2026 and 09.02.2026. They expressly invoke the Income Tax Act and call for information and documents in connection with proceedings under that Act. The Petitioner has not established that they are founded solely on the impugned order or that the Income Tax Department is bound by the findings of the ECPMP or the Apex Committee.

15.39. The request made by the Apex Committee to the Central Board of Direct Taxes does not curtail the Department's statutory powers. The Department must decide the tax treatment of the expenditure independently, on the material before it and in accordance with the Income Tax Act. Neither the decision of the ECPMP nor the impugned order determines that question.

PROCEEDINGS BEFORE THE NATIONAL MEDICAL COUNCIL AND OTHER AUTHORITIES

15.40. Prayer B also seeks quashing of proceedings before the National Medical Council, State

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Medical Councils and "any other authority". The National Medical Council is not a party to this petition, nor are the concerned doctors before this Court. The impugned order merely requests the National Medical Council to take action against the 30 doctors under the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002.

15.41. That request does not compel the Council to take action. The Council must decide for itself whether the material warrants proceedings under its governing Regulations and must follow the procedure prescribed by those Regulations. It must also afford the concerned doctors the opportunity required by law.

15.42. The doctors are not parties to the present petition. The Court therefore makes no order on the legality of any proceedings initiated against them and expresses no opinion on their individual rights or liabilities. The doctors who have approached the Hon'ble Delhi High Court or the Hon'ble High Court of Gujarat must pursue their remedies in those proceedings.

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15.43. The impugned order cannot be treated as a final determination of misconduct by the doctors. Any competent medical authority must independently examine the material and act in accordance with the applicable Regulations.

NOTICE ISSUED BY THE REGISTRAR OF COMPANIES

15.44. The notice dated 12.05.2026 issued by the Registrar of Companies has already been examined in detail under Point (iii). It is not liable to be quashed merely because the impugned order refers to the expenditure incurred on the doctors. The notice records that the Ministry of Corporate Affairs ordered an inquiry under Section 206(4) of the Companies Act, 2013, by order dated 21.01.2026.

15.45. The inquiry is founded on the statutory power under Section 206(4) and the Central Government's order. It does not depend solely on the impugned order. The Registrar is required to proceed strictly in accordance with Section 206(4), inform the Petitioner in writing of the allegations, specify the matters on which

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information is sought and provide a reasonable opportunity of being heard.

15.46. As held under Point (iii), items (ix) and (x) of the notice must be treated as seeking information with reference to the impugned order, and not as treating its findings as binding conclusions against the Petitioner. The Registrar must form an independent view on the material and the Petitioner's explanation. That direction is sufficient to protect the Petitioner's right to contest the allegations before the Registrar. No further relief is warranted under this Point.

ORDERS OF THE HON'BLE DELHI HIGH COURT AND THE HON'BLE HIGH COURT OF GUJARAT

15.47. Learned Senior Counsel relies on the order dated 04.08.2026 passed by the Hon'ble Delhi High Court in ***Dr. Kiran Ninad Hebbalkar & Ors. v. ACPMP*** [W.P.(C) No.10370/2026 and C.M. Application No.48020/2026]. The submission before this Court is that the Hon'ble Delhi High Court stayed the operation of the impugned order dated 23.12.2024 insofar as it

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directed action against the Petitioners in that case.

15.48. Learned Senior Counsel also relies on the order dated 27.07.2026 passed by the Hon'ble High Court of Gujarat in ***Dr. Jagdish Jadavbhai Sakhiya v. Gujarat Medical Council and Another*** [Special Civil Application No.9821/2026]. The Hon'ble High Court of Gujarat noticed the difference between the action taken against the pharmaceutical company and the action proposed against the doctors and stayed the proceedings against the doctors.

15.49. Neither order advances the Petitioner's case. Both are interim orders. An interim stay does not finally decide the merits of the controversy. The petitions in those cases were filed by doctors challenging action against them, whereas the present petition is filed by the pharmaceutical company challenging the reprimand and the consequential proceedings against it.

15.50. The legal position of a pharmaceutical company challenging a reprimand is distinct from that of

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a medical practitioner challenging proposed disciplinary action by a medical council. The Hon'ble Delhi High Court's order stays the impugned order only insofar as it directs action against the Petitioners in that case, namely, the doctors. It does not follow that the order must also be quashed at the instance of the company in the present proceedings.

15.51. The orders of the Hon'ble Delhi High Court and the Hon'ble High Court of Gujarat deserve due respect. They are; however, interim orders passed in proceedings involving different Petitioners and different reliefs. They do not bind this Court to grant the reliefs sought by the Petitioner. The parity argument concerning the comparative treatment of the company and the doctors relates to the proceedings against the doctors. Those doctors are not before this Court, and the Petitioner cannot seek relief on their behalf.

15.52. The Court has therefore not relied on either interim order in deciding the present petition.

15.53. The Petitioner seeks a writ of certiorari against the impugned order and the consequential

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proceedings. The grounds urged for quashing the impugned order have failed under Points (i) and (ii). The grounds urged against the special audit and the ROC's notice have failed under Point (iii). The Petitioner has also failed to establish that the Income Tax summonses were issued solely on the basis of the impugned order or that the other statutory authorities are bound by the findings recorded by the Apex Committee.

15.54. The impugned order records the Petitioner's reprimand and directs publication in accordance with the Code. It also makes requests to the Central Board of Direct Taxes and the National Medical Council. Those requests do not bind the receiving authorities. Each authority must act under its own statute or Regulations and form its own opinion on the material before it.

15.55. The Petitioner was given an opportunity to place its explanation before the Apex Committee. It has not established denial of hearing, bias or bad faith. The record also does not establish that the consequential proceedings are without statutory authority.

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The Income Tax Department and the Registrar of Companies are required to examine the relevant expenditure and the Petitioner's affairs under their respective statutes. Quashing the impugned order would not remove the statutory obligation of those authorities to examine matters falling within their jurisdiction.

15.56. The Court is conscious that the reprimand and its publication have consequences for the Petitioner. However, the order does not itself determine tax liability, impose a penalty under the Companies Act or record professional misconduct against the doctors. The requests made to the statutory authorities are not binding directions. Those authorities must independently consider the material and follow the procedure prescribed by law.

15.57. In these circumstances, the Petitioner has not established any ground for exercising the writ jurisdiction of this Court to quash the impugned order or restrain the statutory authorities from carrying out their lawful functions.

15.58. The Petitioner has not established grounds for quashing the impugned order dated

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23.12.2024, the summonses dated 13.01.2026 and 09.02.2026, or the notice dated 12.05.2026. The statutory authorities must proceed independently, under the laws governing them, and in accordance with the safeguards specified under Points (iii) and (iv). The Petitioner is free to raise all objections available to it before those authorities and before the appropriate statutory forums.

15.59. The prayer for a restraint against coercive or precipitate action is also not made out. No ground has been established to prevent the Respondents from exercising their lawful powers. The consequential reliefs sought by the Petitioner must therefore be refused.

15.60. This Court answers Point No. (iv) by holding that the Petitioner has not made out grounds for quashing the impugned order dated 23.12.2024, the summonses dated 13.01.2026 and 09.02.2026 issued by the Income Tax Department, or the notice dated 12.05.2026 issued by the Registrar of Companies. The statutory authorities shall act independently and in accordance with their respective

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governing laws. The consequential reliefs and the prayer for restraint are refused.

16. **Answer to Point No. (v): What Order?**

16.1. In view of the answers to the Points No. (i) to (iv), this court passes the following:

ORDER

(i) The writ petition is ***dismissed***.

(ii) Respondent No.3 may proceed in accordance with the Income Tax Act, 1961, on the basis of its independent assessment. The Petitioner is free to raise before the officer concerned, and before the proper forum, any objection that is open to it.

(iii) The notice dated 12.05.2026 issued by Respondent No.4 is not quashed. The inquiry shall be conducted strictly in accordance with Section 206(4) of the Companies Act, 2013, including by informing the Petitioner in writing of the allegations against it, specifying the matters on which information is sought, and giving the Petitioner a reasonable opportunity

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of being heard. The Petitioner shall furnish its reply to the notice within four weeks from the date of receipt of a copy of this judgment, and it is free to raise before Respondent No.4 any objection that is open to it.

This Court has been assisted by Ms. Harshada R.B., Law Clerk, in reviewing this judgment.

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(SURAJ GOVINDARAJ)
JUDGE

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