

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

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CWP-26127-2026

Date of Decision : August 18, 2026

**M/S HARMAN MEDICAL STORE THROUGH ITS PROPRIETOR
ANGREJ SINGH**

-PETITIONER

V/S

STATE OF PUNJAB AND OTHERS

-RESPONDENTS

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. Inderjit Sharma, Advocate, with
Mr. Prem Nath, Advocate
for the petitioner.

Mr. Karunesh Kaushal, A.A.G., Punjab.

KULDEEP TIWARI, J. (ORAL)

1. Through the instant writ petition, the petitioner assails the legality and validity of the order dated 30.07.2025 (Annexure P-3) passed by respondent No.2, whereby the Retail Sale Drugs Licences issued in his favour were cancelled with immediate effect on account of contravention of Rules 65(3)(1), 65(4)(1), 65(4)(4), 65(6) and 65(18) of the Drugs and Cosmetics Rules, 1945 (hereinafter referred to as the “Rules of 1945”). The petitioner also assails the order dated 03.07.2026 (Annexure P-5) passed by respondent No.1, whereby his statutory appeal against the order (*supra*) was dismissed.

2. The facts qua which there is no dispute, stated succinctly, are that the petitioner was granted two Retail Sale Drugs Licences on 01.10.2024. About eight months thereafter, on 05.06.2025, the premises of the petitioner were inspected by the competent authority constituted under

the Drugs and Cosmetics Act, 1940 (hereinafter referred to as the “Act of 1940”), wherein the following contraventions of the Rules of 1945 were observed:-

“1. The firm had stocked drugs for sale and distribution, mentioned at Serial No.9, 11a, 11b, 11c which are marked as “physician samples, not for sale”. Thus you have contravened Rule 65 (18) of the Drugs Rules, 1945. (It is pertinent to mention that Drugs at Serial No.11a, 11b, and 11c contain Chlordiazepoxide as per label claim and is listed as Psychotropic substance under NDPS Act, 1985). You are directed to give explanation regarding the same. Copy of inspection report is attached.

2. That on demand you failed to maintain the retail sale record/bills of the drugs sold by you. Further you have not maintained/produced separate register regarding entry for sale of Schedule H1 drugs. Thus you have contravened Rule 65(3)(1), 65(4)(1) and 65(6) of the Drugs Rules, 1945.

3. The purchase record was not found maintained in chronological order. Thus you have contravened Rule 65(4)(4) and 65(6) of the Drugs Rules, 1945.”

3. Consequently, the petitioner was served with a show-cause notice dated 17.07.2025, requiring him to explain as to why his licences should not be suspended or cancelled. The petitioner submitted his reply, which, however, was found unsatisfactory by the competent authority. Accordingly, the licences were cancelled, particularly in view of the petitioner’s criminal antecedents and the fact that the seized drugs, which were not meant for sale, contained psychotropic substances. Aggrieved thereby, the petitioner preferred a statutory appeal, which was dismissed by the Appellate Authority upon consideration of the matter and keeping in view the past conduct of the petitioner.

4. Assailing the legality and validity of the impugned orders,

learned counsel for the petitioner has advanced threefold submissions. Firstly, it is contended that the entire proceedings stand vitiated as the inspection conducted at the premises of the petitioner was not in conformity with the procedure prescribed under Section 23 of the Act of 1940. Secondly, it is submitted that the mischief of Rule 65(3)(1) of the Rules of 1945 is not attracted in the present case. Learned counsel submits that Rule 65(3)(1) mandates entering particulars in a prescription register only at the time of an actual retail supply made on the prescription of a Registered Medical Practitioner. In the absence of direct evidence establishing an active retail sale transaction without a prescription, mere possession or stocking of medicines cannot automatically constitute a contravention of Rule 65(3)(1). Thirdly, it is submitted that, since this was the petitioner's first offence, the competent authority ought to have adopted a lenient approach by either suspending the licences or cancelling them for a limited period, rather than imposing the extreme penalty of cancellation.

5. This Court has considered the submissions advanced by learned counsel for the petitioner and has also perused the record.

6. What surges forth from a perusal of the record is that the petitioner was found in possession of "physician samples, not for sale". Further, as many as 339 tablets of Normaxin CC and Normaxin Tablets containing Chlordiazepoxide (a psychotropic substance under the N.D.P.S. Act), were found stored at his premises. The petitioner failed to maintain the retail sale records, bills of the drugs and separate register for Schedule H1 drugs, thereby contravening Rules 65(3)(1), 65(4)(1), 65(4)(4), and 65(6) of the Rules of 1945.

7. The possession of psychotropic substances within a commercial

retail pharmacy, particularly when such substances are explicitly marked as “physician samples, not for sale”, along with the inability of the licensee to account for the lawful acquisition, invoice chain, or mandatory register entry of such stock constitutes an irremediable breach of the above said provisions. Under the statutory scheme, a retail licensee cannot harbor unaccounted psychotropic prescription stock on commercial premises and escape administrative liability by merely asserting that the stock was not actively dispensed.

8. This Court finds no merit in any of the submissions advanced by learned counsel for the petitioner. The reasons for arriving at such conclusion are recorded hereinafter.

9. The first contention, that the inspection was conducted *de hors* the procedure prescribed under Section 23 of the Act of 1940, is devoid of merit. The procedure prescribed under Section 23 is applicable where a sample of a drug is drawn for the purpose of ascertaining whether the drug contravenes any provision of the Act of 1940 or the Rules framed thereunder. However, that is not the case here. The petitioner did not dispute before the authorities below that the drugs recovered from his premises contained a psychotropic substance, rather, the composition and description of the drugs were clearly reflected on the strips thereof. Therefore, the plea regarding non-compliance with Section 23, having been raised by the petitioner at this belated stage, appears to be an attempt to evade the penalty of cancellation of licences and hence cannot be accepted.

10. The second submission, that the mischief of Rule 65(3) of the Rules of 1945 is not attracted, likewise fails to merit acceptance. Rule 65(3) mandates the systematic recording of retail stock, entry into prescription

registers, and maintenance of corresponding supply/purchase records for all prescription drugs present on a licensed retail premises. When physician samples are recovered from a retail outlet without valid purchase invoices or entry in the required registers, the licensee fails to account for the lawful custody and stock control mandated under Rule 65. In any event, the cancellation of the petitioner’s licences was not founded solely upon Rule 65(3). The competent authority recorded independent, clear-cut violations of other mandatory provisions, including Rule 65(18) (prohibiting the stocking and sale of physician samples) and Rule 65(4)/65(6) (failure to maintain Schedule H1 registers and chronological records), all of which independently provide sufficient legal footing to sustain the order of cancellation.

11. The third and final submission, that the punishment imposed is unduly harsh, likewise warrants rejection. This Court finds that the competent authority rightly exercised its discretion in imposing the maximum penalty of cancellation of licences. The petitioner had been granted the licences only approximately eight months prior to the inspection and had previously been convicted in two cases registered under the NDPS Act, as detailed below:-

Sr. No.	Case No.	FIR details	Date of Decision	Contraband Recovered	Decision
1	Sessions Case No.25 of 2017. CIS No. NDPS/151/2017	FIR No.77 of 03.08.2017 u/s 21/22 of N.D.P.S. Act, 1985, Police Station Ghuman	26-3-2019	Pharmaceutical Drugs	Conviction
2.	NDPS/392/2019	FIR No.32 dated 01.04.2019 u/s 21/22 of N.D.P.S. Act, 1985, Police Station Ghuman	06-07-2024	Pharmaceutical Drugs	Conviction

In view of the petitioner’s conduct within such a short duration after obtaining the licences, the punishment awarded is found to be adequate.

12. In summa, this Court finds no infirmity, illegality, or perversity in the impugned orders warranting interference, and the instant writ petition is, accordingly, **dismissed** as being devoid of merit.

August 18, 2026
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(KULDEEP TIWARI)
JUDGE

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No