

CCI Mandate Triggers War of Words Among Drug Traders

SOMA DAS
NEW DELHI

The national antitrust body's order asking drug distributors to desist from anti-competitive practices has triggered a war of words within a section of the country's largest grouping of drug traders, the All India Organisation of Chemists and Druggists (AIOCD). V Hari Krishnan, president of the Bangalore District Chemists and Druggists Association, has accused AIOCD's Karnataka unit president KE Prakash of violating the Competition Commission's order.

In a letter to Prakash, Krishnan said the Karnataka Chemists and Druggists Association president had instructed drug companies verbally to supply medicines to wholesalers only after obtaining no-objection certificates from the state body.

The letter dated December 25 also accused Prakash of telling the representatives of about 100 companies who attended a December 21 meeting that the state association would boycott those drug makers that supply their products to wholesalers without such NOCs.

CCI had told trade bodies that they shouldn't seek NOCs for appointing stockiests or boycott drug makers. The commission gave industry groups 60 days to implement the order, while slapping financial penalties on the AIOCD for insisting on NOCs.

Prakash called Krishnan's allegation "baseless". While confirming a meeting with drug firms on December 21, he said the state body holds monthly meeting with pharmaceutical companies to discuss supply-chain issues, such as "settling of pending claims of distributors on account of expired and non-moving medicinal products".

Drug companies and distributors have been fighting over trade margins since June.

Regulatory