

SGCO & Co.LLP

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No Section 3 contravention found as alleged practices were discontinued and NOC/LOC compulsion not proved : CCI

The Competition Commission of India (CCI) held that **no violation of Section 3 of the Competition Act, 2002** was established against the chemist associations, pharmaceutical associations, or companies involved.

Key Findings

- The alleged anti-competitive practices had already been **discontinued**.
- There was **no evidence** that No Objection Certificates (NOCs) or Letters of Consent (LOCs) were being mandatorily enforced.
- The investigation did not establish that pharmaceutical manufacturers, distributors, or stockists were **compelled to comply** with any such requirements.
- In the absence of proof of an anti-competitive agreement or restrictive practice, the allegations under **Section 3** could not be sustained.

Liability of Office Bearers

- Since no contravention was found against the entities, **liability under Section 48** (which pertains to persons in charge of and responsible for the conduct of business) did not arise for their office bearers and officials.

One-Line Summary

CCI found no breach of Section 3 of the Competition Act as the alleged restrictive practices were no longer in force, mandatory NOC/LOC requirements were not proved, and there was no evidence of coercion on manufacturers or stockists; consequently, no liability arose for office bearers under Section 48.