



**COMPETITION COMMISSION OF INDIA**

**Case No. 32 of 2021**

**In Re:**

**Zippigo Pharma,  
13, Ratandeeep Tower,  
Indira Complex,  
Indore, Madhya Pradesh  
Pin Code: 452001**

**Informant**

**And**

**Dr. Reddy's Laboratories Ltd.  
C/o Pharma Traders, 18/2, Lasudia Mori,  
Dewas Naka, Indore (M.P.)**

**Opposite Party No. 1**

**Cipla Ltd.  
Patwari Halka No. 53, Survey No. 153/2,  
Village Arjun Baroda, PO Dakachya,  
A.B. Road, Indore (M.P.)– 453771**

**Opposite Party No. 2**

**Regd. Office: Cipla House, Peninsula Business Park,  
Ganpatrao Kadam Marg, Lower Parel,  
Mumbai- 400013**

**Aristo Pharmaceuticals Pvt. Ltd.  
23, Annexe SDA Compound,  
Dewas Naka, Indore (M.P.)– 452010**

**Opposite Party No. 3**

**Head Office: 23-A, Shah Industrial Estate,  
Off Veera Desai Road, Andheri (West),  
Mumbai – 400 053**

**Zydus Healthcare Ltd.  
120, SR Compound,  
Lasudia Mori, Dewas Naka,  
Indore(M.P.) - 452010**

**Opposite Party No. 4**

**Torrent Pharmaceuticals Ltd.  
C/O Patwa Marketing Pvt. Ltd.,  
Lasudia Mori, Dewas Naka,  
Indore(M.P.)- 452016**

**Opposite Party No. 5**

**Systopic Laboratories Pvt. Ltd.  
305, Pragati Chambers,  
Commercial Complex, Ranjit Nagar,  
New Delhi- 110008**

**Opposite Party No. 6**



**Theta Labs Pvt. Ltd.**  
123/125, Dawa Bazar,  
13/14 RNT Marg, Indore (M.P.)

**Opposite Party No. 7**

**Win Medicare Pvt. Ltd.**  
1311, Modi Tower,  
98 Nehru Place, New Delhi- 110019

**Opposite Party No. 8**

**Macleods Pharmaceuticals Ltd.**  
Atlanta Arcade, Church Road,  
Near Leela Hotel,  
Andheri-Kurla Road, Andheri (E),  
Mumbai- 400059

**Opposite Party No. 9**

**Sun Pharma (Ranbaxy)**  
CFA- Sudhir Logistics, 77A & 77B,  
S.D.A Annex,  
Lasudia Mori, Dewas Naka,  
Indore – 452010

**Opposite Party No. 10**

**Eris Lifesciences Ltd.**  
8th floor, Commerce House-IV,  
Prahlad Nagar, Ahmedabad- 380015

**Opposite Party No. 11**

**Koye Pharmaceuticals Pvt. Ltd.**  
30, Mangal Nagar,  
Near Rajeev Gandhi Square,  
A.B. Road, Indore- 452001

**Opposite Party No. 12**

**Lupin Ltd.**  
A/2 Laxmi Towers,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

**Opposite Party No. 13**

**USV Private Limited**  
Arvind Vithal Gandhi Chowk,  
B.S.D. Marg, Govandi, Mumbai – 400088

**Opposite Party No. 14**

**Mankind Pharma Ltd.**  
C/o Agarwal & Co., 73 & 74,  
SR Compound, Lasudia Mori,  
Dewas Naka, Indore (M.P.)

**Opposite Party No. 15**

**Medley Pharmaceutical Ltd.**  
C/o Vijay Pharma, 03, TT Nagar,  
MR-11 Road, Pipalaya Kumar,  
Near Kataria Complex, Dewas Naka,  
Indore (M.P.)

**Opposite Party No. 16**



**Alkem Laboratories Ltd.  
SDA Compound, B/H Essar Petrol Pump,  
Near Om Tol Naka, Indore (M.P.)**

**Opposite Party No. 17**

**CORAM:**

**Mr. Ashok Kumar Gupta  
Chairperson**

**Ms. Sangeeta Verma  
Member**

**Mr. Bhagwant Singh Bishnoi  
Member**

**Order under Section 26 (2) of the Competition Act, 2002**

1. The present Information is filed by Zippigo Pharma (**'Informant'**) under Section 19(1)(a) of the Competition Act, 2002 (**'Act'**) alleging contravention of the provisions of Sections 3 and 4 of the Act by the aforementioned Opposite Parties (**'OP'**)
2. The Informant is a firm engaged in the business of wholesale medicines.
3. It is stated in the Information that since the Informant's inception, some pharmaceutical companies supplied goods (drugs) to it while the rest of them asked the Informant to adhere to certain terms and conditions, only consequent to which they would deal with the Informant. However, these terms and conditions were not applicable to similarly placed wholesalers. The Informant is aggrieved mainly by the following terms made applicable to it:
  - a. Requirement of advance payment by the Informant to pharmaceutical companies for obtaining supply of drugs, which is not applicable to other similarly placed local parties.
  - b. Payment on account of return of goods or expiry breakage is not refunded to the Informant, while other parties avail this facility.
  - c. Informant is required to physically pick goods from pharmaceutical companies'



godown/depot/CFAs. The said condition is not applicable to other parties.

- d. Informant is required by OPs to take goods from their local stockists rather than the goods being supplied directly to the Informant.
4. The Informant has stated that the aforesaid acts lead to high transportation costs, as the OPs do not supply goods at the Informant's doorstep. Moreover, the Informant faces loss of goods as they cannot be returned to the OPs. These conditions are allegedly not applicable to the Informant's counterparts operating in the area and are thus, discriminatory. Further, the Informant has claimed that it is unable to expand its market of supplying goods and has to bear higher costs compared to other stockists.
5. It is also stated that the Informant took up the matter with the OPs, but the OPs were insistent that the alleged terms and conditions be fulfilled by it. Moreover, despite being asked, none of the OPs provided the alleged terms and conditions to the Informant in writing. This, as per the Informant, seems like a tactic of the OPs to not let parties enter the pharmaceutical field without following pharmaceutical companies' requirements.
6. The Commission considered the information in its ordinary meeting held on 10.11.2021 and decided to pass an appropriate order.
7. At the outset, the Commission notes that the Informant has claimed to be a wholesaler dealing in pharmaceutical products, having started its business in 2018, and is primarily aggrieved by the alleged discrimination it is facing at the hands of the OPs, which are allegedly not offering the Informant the same terms and conditions as are available to other wholesalers.
8. Having considered the averments and allegations made in the Information, the Commission *prima facie* observes that there are no specific allegations regarding anti-competitive agreement under Section 3(3) of the Act amongst OPs. Further, there is no evidence of any coordinated conduct *inter se* the OPs that are likely to cause appreciable adverse effect on competition in the market. Moreover, the Commission observes that the Informant has not *prima facie* been able to make out a case even under Section 3(4) of the Act and has not demonstrated the existence of any market power in the hands of



any of the OPs in the matter which has been enforced to cause any vertical restraints.

9. Further, in relation to alleged contravention of the provisions of Section 4 of the Act, the Informant has claimed that all the OPs are refusing to deal with it, without naming any specific OP. In this respect, the Commission notes that with 17 pharmaceutical companies being arrayed as parties, a case under Section 4 of the Act cannot arise and it cannot be said that there is dominance of any one OP, since there are several pharmaceutical companies operating in the country, including in the state of Madhya Pradesh. The Commission *prima facie* observes that no competition concern is noticed in the facts and circumstances of the case and, therefore, the delineation of relevant market and subsequent assessment of dominance and abuse may not be required in the matter.
10. In view of the foregoing, the Commission is of the considered opinion that no *prima facie* case of contravention of any of the provisions of Section 3 and/or 4 of the Act is made out against the OPs, and therefore, the matter be closed under Section 26(2) of the Act.
11. The Secretary is directed to forward a certified copy of this order to the Informant accordingly.

**Sd/-**  
**Ashok Kumar Gupta**  
**Chairperson**

**Sd/-**  
**Sangeeta Verma**  
**Member**

**Sd/-**  
**Bhagwant Singh Bishnoi**  
**Member**

**New Delhi**

**Date: 02/12/2021**