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Govt caps trade margin of five medical devices

14 July 2021 | News

The trade margin up to 70 per cent on Price to Distributor (PTD) level will be applicable till January 31, 2022, subject to review

The National Pharmaceutical Pricing Agency (NPPA) has vide its notification dated 13.07.2021, capped the trade margin up to 70 per cent on Price to Distributor (PTD) level on the pulse oximeter, blood pressure monitoring machine, nebulizer, digital thermometer and glucometer.

Earlier, in February 2019 NPPA had previously capped the trade margin on anti-cancer Drugs and on June 3, 2021, for oxygen concentrators. Based on the notified trade margin, NPPA has instructed the manufacturers/importers to report revised MRP within seven days. Revised MRPs will be informed in the public domain thereafter by NPPA. The revised prices will come into effect from July 20, 2021.

Every retailer, dealer, hospital and institution shall display price lists of these medical devices as furnished by the manufacturer, on a conspicuous part of the business premises in a manner to be easily accessible to any person wishing to consult the same.

The manufacturers/importers not complying with the revised MRP after Trade Margin capping shall be liable to deposit the overcharged amount along with interest @15 per cent and penalty up to 100 per cent under the provisions of the Drugs (Prices Control) Order, 2013 read with Essential Commodities Act, 1955.

State Drug Controllers (SDCs) shall monitor the compliance of the order to ensure that no manufacturer, distributor, a retailer shall sell these medical devices to any consumer at a price exceeding the revised MRP, to prevent instances of black-marketing.

The order shall be applicable up to January 31, 2022, subject to review.