

Government caps Trade Margin on Oxygen Concentrators

Trade Margins capped at 70%

NPPA to inform revised MRPs within a week

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In view of the extraordinary circumstances arising due to the COVID pandemic that has resulted in recent volatility in Maximum Retail Prices (MRP) of Oxygen Concentrators, the Government has decided to step-in to regulate the price of Oxygen Concentrators. As per information collected by the government, margin at the level of distributor currently ranges up to 198%.

By invoking extraordinary powers under Para 19 of the DPCO, 2013 in larger public interest NPPA has capped the Trade Margin up to 70% on Price to Distributor (PTD) level on Oxygen Concentrators. Earlier, in February 2019 NPPA had successfully capped the Trade Margin on Anti-cancer Drugs. Based on the notified Trade Margin, NPPA has instructed the manufacturers / importers to report revised MRP within three days. Revised MRPs will be informed in public domain within a week by NPPA.

Every retailer, dealer, hospital and institution shall display price list as furnished by the manufacturer, on a conspicuous part of the business premises in a manner so as 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% and penalty up to 100% 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, retailer shall sell Oxygen Concentrators to any consumer at a price exceeding the revised MRP, to prevent instances of black-marketing.

The Order shall be applicable up to 30th November 2021, subject to review.

With the spurt in cases under COVID 2.0 pandemic in the country, demand for Medical Oxygen has gone considerably. The Government is striving to ensure uninterrupted supply of Oxygen and Oxygen Concentrators in adequate quantity in the country during the pandemic. Oxygen Concentrator is a Non-Scheduled Drug and presently under voluntary licensing framework of Central Drugs Standard Control Organization (CDSCO). Its price is being monitored under the provisions of DPCO 2013.

MC/KP/AK