

F.No. 19(837)/2016/DP/NPPA/Div.II
Government of India
Ministry of Chemicals and Fertilizers
Department of Pharmaceuticals
National Pharmaceutical Pricing Authority

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New Delhi, the 20th February, 2017

OFFICE MEMORANDUM

Subject:- Clarification on trade margins in respect of price notification of Coronary Stents notified by S.O. 421(E) dated 13.02.2017.

In afore said price notification ceiling price of Coronary Stents have been fixed under the provisions of DPCO, 2013, by the Government/NPPA. In order to facilitate usage/smooth supply of Coronary Stents, to bring clarity in market and protect larger interest of end user/patient, following clarifications in respect of trade margins, are hereby issued:

1. As regards supply of Coronary Stents, there is hardly any specific retail channel. Further direct supply of Coronary Stents to hospitals is also done by manufacturers/importers. The notified prices are inclusive of maximum 8% trade margin (over and above margins of manufacturers/importers) which can be deployed by the manufacturers/importers as per their business model.
2. Considering the high end value market of Coronary Stents, this 8% trade margin would cover margins across the trade channels working from the level of manufacturer/importer to the end user i.e. consumers/patient. The 8% margin also adequately covers hospitals handling charges, if any.
3. It is pertinent to mention that 8% maximum margin has been built into the calculation of the ceiling price. No additional charge, whatsoever over and above the ceiling price notified in aforesaid price notification shall be charged from the consumer except local sales taxes/VAT, if paid in actual.
4. In the case of Hospitals/Doctors, it is expected that they shall continue to follow ethical standards and comply with various regulatory provisions enacted by the Government Authorities from time to time.



(Kalyan Nag)
Advisor (Cost)