F. No 12(24)/2021/DP/NPPA/Div.II(Vol.II)-Part(1)
Government of India
Ministry of Chemicals & Fertilizers
Department of Pharmaceuticals
National Pharmaceutical Pricing Authority

5th /3rd Floor,
YMCA Cultural Centre Building,
1, Jai Singh Road,
New Delhi – 110 001
Dated: 12.09.2025

OFFICE MEMORANDUM

Subject- Implementation of revision in Maximum Retail Price (MRP) due to reduction in Goods and Service Tax (GST) Rates.

The undersigned is directed to refer to the recent Government decision on rationalization of GST rate structures as recommended in the 56th meeting of GST Council, wherein, *inter-alia*, the Council has recommended reduction in the GST rates on drugs/formulations (including medical devices) effective from 22nd September, 2025. Representations have been received from the manufacturers/marketing companies and industry associations seeking clarification/guidance on issues of implementation.

2. In this regard, following directions are issued-

i. The benefit of reduction in GST rates shall be passed on the consumers/patients effective from 22nd September, 2025.

ii. All the manufacturers /marketing companies selling drugs/formulations shall revise the MRP of drugs/formulations (including medical devices) accordingly w.e.f. 22nd September, 2025.

iii. The manufacturer/marketing companies shall issue revised price list or supplementary price list, in Form V/VI to the dealers, retailers, State Drug Controllers and the Government reflecting the revised GST rates and Revised MRP.

iv. Manufacturer/marketing companies shall take immediate measures to sensitise dealers/retailer/consumers about reduction in GST rates through all possible channels of communication including electronic, print and social media. Industry associations may also release advertisements in leading national newspapers including vernacular newspapers to reach out the dealers/retailers to ensure compliance of revised GST rates w.e.f. 22nd September,2025.

v. It is clarified that recalling, re-labelling or re-stickering on the label of container or pack of stocks released in the market, prior to 22nd September, 2025, is not mandatory, if manufacturer/marketing companies are able to ensure price compliance at the retailer level through measures mentioned above.

vi. However, the manufacturer/marketing companies who desire to re-label or re-sticker the stock available in the market, may do so in a phased manner so that it does not cause shortage of drugs/formulations (including medical devices) in the market. In this regard CDSCO has already issued necessary directions on 11.09.2025 under Rule 104A of the Drugs and Cosmetics Rules, 1945 (copies enclosed).

Encl: As above

(Rashmi Tahiliani)
Director (Pricing)

To,

All the manufacturers, marketers and associations of drugs/formulations for compliance.

Copy to:

1. PSO to Secretary (Pharma), Government of India
2. Drug Controller General (India)
3. All the Drug Controllers / Food & Drug Administration of all the State / UT Governments.