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.

F. No. DC-DT-15011(11)/122/2025
Government of India
Directorate General of Health Services
Central Drugs Standard Control Organisation
(DTAB-DCC Division)

FDA Bhwan,New Delhi-110002
Date: 11 SEP 2025

Order

Subject: Stickering on Medical Products due to reduction in Goods & Service Tax (GST) rate – regarding

With reference to the recent decision of the Government regarding rationalization of Goods & Services Tax (GST) rate structures wherein the GST rates of drugs and formulations have been reduced and will come into effect from 22.09.2025.

In this regard in exercise of the powers conferred under the Drugs and Cosmetics Act, 1940 and rules thereunder, the Central Licensing Authority (CLA) has no objection to affix sticker of the revised Maximum Retail Price (MRP) by the importers as well as manufacturers of class C and D medical devices for implementation of GST within 3 months from the date of this order

This is for the information of all the stakeholders concerned.

Yours faithfully,

(Dr. Rajeev Singh Raghuvanshi)
Drugs Controller General (India)

To,

1. **All the importers**
2. **Manufacturers of class C and D medical devices**

Copy for information:

1. PPS to Secretary DoP
2. PPS to DGHS
3. PS to Chairman, NPPA
4. PS to JS (R), MoHFW, Nirman Bhawan, New Delhi
5. All Zonal/Sub Zonal offices of CDSCO
6. Associations – IDMA/IPA/OPPI/FICCI/FOPE/CII/AiMeD
7. Website of CDSCO

F. No. DC-DT-15011(11)/122/2025
Government of India
Directorate General of Health Services
Central Drugs Standard Control Organisation
(DTAB-DCC Division)

FDA Bhwan,New Delhi-110002
Date:

To,

All the States/UTs Drugs Controller

11 SEP 2025

Subject: Stickering on Medical Products due to reduction in Goods & Service Tax (GST) rate – regarding

Sir/Madam,

This is with reference to the recent decision of the Government regarding rationalization of Goods & Services Tax (GST) rate structures wherein the GST rates of drugs and formulations have been reduced and will come into effect from 22.09.2025.

In this regard, you are requested to expedite the process of issuance of no objection for alteration of label (stickering) by the manufacturers under relevant rules made under Drugs and Cosmetics Act, 1940 for implementation of GST.

Action taken in the matter may be communicated to this Directorate.

Yours faithfully,

(Dr. Rajeev Singh Raghuvanshi)
Drugs Controller General (India)

Copy for information:

1. PPS to Secretary DoP
2. PPS to DGHS
3. PS to Chairman, NPPA
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