



File No. 19(175)/2019/DP/NPPA/Div.II
Government of India
Ministry of Chemicals & Fertilizers
Department of Pharmaceuticals
National Pharmaceutical Pricing Authority

3rd and 5th Floor,
YMCA Cultural Centre Building,
1, Jai Singh Road, New Delhi - 110001

Dated: 15th June, 2021


OFFICE MEMORANDUM

The undersigned is directed to refer to the queries from some of the manufacturers/marketing companies regarding implementation of MRP on the drugs due to change in the Tax/GST rates.

2. In this regard, reference is invited to the O.M. No. 25(5)/2014/Div-V/NPPA dated 13th April, 2016 (copy enclosed) issued by NPPA which contains detailed guidelines for compliance of revised prices by manufacturers/marketing companies.

3. The change in Tax/GST rates has an impact on the fixation of MRP of items attracting Tax/GST. As per DPCO, 2013 MRP of drugs/formulations is inclusive of Taxes/GST. Therefore, any downward change in Tax/GST rates should be reflected in MRP and benefit of Tax/GST reduction should be passed on to consumers.

4. In view of the above, all the manufacturers and marketing companies are required to revise the MRP of drugs/formulations on which Tax/GST rates have been reduced taking into effect the revised rates of Tax/GST. Recalling or re-labelling or re-stickering on the label of container or pack of released stocks in the market prior to date of notifications, is not mandatory, if manufacturers are able to ensure price compliance at the retailer level through issuance of a revised price list.


(S. S. Ojha)

Director (Pricing)

To,

All the manufacturers and marketing companies of drugs/formulations and medical devices for compliance.

Copy to:

1. PPS to Hon'ble Minister (HCF)
2. PPS to Hon'ble Minister of State (HCF)
3. Secretary (Pharma), Government of India
4. Secretary (Health), Government of India
5. Principal Health Secretaries (All States/UTs)
6. Drug Controller General (India)
7. All the Drug Controllers / Food & Drug Administration of all the State / UT Governments.