

GST cut: Reduce prices, NPPA asks pharma cos

New Delhi: Drug pricing regulator NPPA has asked pharmaceutical companies and medical device makers to reduce prices on products on which the GST has been lowered in order to pass on the benefit to the consumers.

In a notification, the National Pharmaceutical Pricing Authority (NPPA) noted that a change in tax rates has an impact on the fixation of maximum retail prices (MRP) of various drugs and formulations.

As per DPCO 2013, MRP of drugs and formulations are inclusive of taxes. Therefore, any downward change in tax or GST rates should be reflected in the MRP and benefit of the reduction should be passed on to the con-

The National Pharmaceutical Pricing Authority said a change in tax rates has an impact on the fixation of MRP of various drugs and formulations

sumers, it noted.

“In view of the above, all the manufacturers and marketing companies are required to revise the MRPs of drugs/formulations on which tax/GST rates have been reduced taking into effect the revised GST rates,” NPPA said. **ENS**