



# EAST INDIA PHARMACEUTICAL WORKS LIMITED

Regd Office : 6, Nandalal Bose Sarani, (Formerly Known as Little Russell Street), Kolkata - 700 071, India  
Telephones : (033) 2287 3004, 2287 3007, 2287 3009, 6693 5400, E-mail : eastindia@eastindiapharma.org  
CIN : U24231WB1936PLC008598, Website : www.eastindiapharma.org



C-14/Cir-31

9<sup>th</sup> September 2025

**To**

All Stockists & Trade Partners

**Subject: Implementation of Revised GST Rates w.e.f. 22<sup>nd</sup> September 2025, Impact of GST Transition and our Commitment to Resolution**

Dear Trade Partners,

The Government of India has announced the **Next Generation GST reforms**, effective from **22<sup>nd</sup> September, 2025**, under which the GST rate on a majority of pharmaceutical products has been **reduced from 12% to 5%**.

This change has important implications for our trade, and we wish to outline the key points for your guidance:

- 1. Impact of GST Transition on Inventory:** Goods purchased at 12% GST will now have to be sold at a revised **GST** rate of **5%** with effect from 22<sup>nd</sup> September, 2025.
- 2. Availability of Input Tax Credit (ITC) after 22<sup>nd</sup> September, 2025:** The balance ITC on the goods will remain fully available for adjustment against future output tax liabilities. Effectively, there will be no loss of GST input credit.
- 3. Impact on the position of Working Capital:** Due to the reduction in the GST rate, the availability of the Working capital may increase, since the utilization of accumulated ITC may take some time.
- 4. Industry Representation:** Industry associations have already represented before the GST Council seeking mechanisms for smoother credit utilization. We will promptly share further directions once received from the Authorities.
- 5. Pricing of Old MRP Stock (Sold on or after 22<sup>nd</sup> September 2025):** Guidelines for selling products already bearing old MRPs are as under:

**For Wholesalers:** Price to Retailer (PTR) + 5% GST.

**For Retailers:** (Old MRP × 100 ÷ 112) + 5% GST.

**Note:** There shall be no change in the PTW and PTR. The impact of GST rate revision will only affect the MRP.



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We remain committed to safeguarding your interests during this transition. We assure that the Company will always prioritize the interests of our partners (like during the VAT transition). We respectfully request you to:

- Maintain continuity in purchasing our products.
- Ensure adequate inventory levels to support uninterrupted medicine availability.

For clarification, kindly:

- Contact your respective State Branch Manager, or;
- Write to us at eastindia@eastindiapharma.org.

We, as an organization for nearly 90 years, will take all the necessary steps in our capacity to facilitate a smooth transition and maintain a cordial relationship with you. We sincerely value your cooperation and support as we collectively adapt to this significant change. Together, we will continue to serve public health with commitment.

For **East India Pharmaceutical Works Limited**

Jayanta Basu  
Marketing Manager