

Date: September 9, 2025

Dear Trade Partners,

**Re: Change in GST Rates by Govt. of India**

Dear Sir / Madam,

We hope this letter finds you well.

As you are aware, the Government of India has announced Next-Gen GST reforms, effective September 22, 2025, with a substantial downward revision in GST rates on medicines. These reforms mark a significant milestone in India's healthcare journey, aimed at simplifying compliance, strengthening delivery systems, and ensuring affordable access to quality medicines.

In line with this change, we have carefully assessed the implications and would like to highlight the following key areas:

1. **Trade Margins:** The revision of MRP due to the downward revision of GST rates will not impact the existing trade margin structure as the PTS and PTR of the products remains unchanged.
2. **Input Tax Credit (ITC):** GST credit on purchases prior to the effective date will remain eligible for future utilization. There is no loss of ITC due to this change.
3. **Working Capital Support:** To ease the temporary impact on working capital due to accumulation of Input Tax Credit, we are pleased to extend additional credit for a period of 30 days beyond normal credit periods for all purchases made between September 9, 2025 and September 21, 2025. This additional credit is not applicable for Institution business.

We encourage you to continue maintaining adequate inventory levels to ensure uninterrupted patient care. We believe that you will provide adequate support to your customers during this transition. Together, we can ensure timely access to essential medicines. We sincerely value your continued partnership and cooperation during this transition.

Best regards,

For **CIPLA LIMITED**



**A N Ramesh**  
**Head Distribution & Logistics**