

# Govt eases GST price label rules, scraps mandatory ads

Businesses can skip re-stickering and use old stock until March 2026

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In a major relief to manufacturers, packers, and importers following recent goods and services tax (GST) rate revisions, the central government has updated its September 9 circular by waiving mandatory newspaper advertisements (ads) for price changes and extending the timeline for using old packaging materials.

The deadline for exhausting old packaging has been pushed to March 31, 2026, or until supplies run out, up from the previous December 31 cutoff, according to the revised circular released by the Department of Consumer Affairs.

The September 9 advisory allowed manufacturers, packers, and importers to revise the maximum retail price (MRP) on unsold goods until December 31, 2025, or until stock was exhausted, through stamping, stickers, or online printing, as applicable. It also required two newspaper ads, notices to dealers, and communication with legal metrology authorities to ensure transparency.

The update comes amid industry concerns over unsold inventory and compliance costs following the recent GST recalibration.

"After considering industry concerns and in suppression of the earlier advisory dated September 9, 2025, the central government has decided to allow manufacturers, packers, importers, or their representatives to voluntarily affix revised price stickers on unsold packages manufactured before September 22, 2025, provided the original price declaration is not obstructed. In this context, it is underlined that extant rules do not mandate affixing revised price stickers on such unsold packages," the revised circular said.

Under the new circular, instead of newspaper ads, companies must now

circulate revised prices to wholesale dealers, retailers, and others, with a copy to the director of legal metrology of the central government and the Controller of Legal Metrology in all states and Union Territories.

Declaring revised unit sale prices on unsold stock is now optional for goods made before September 22, 2025. The advisory clarifies that existing rules do not require price sticker updates prior to that date, giving businesses greater flexibility.

Manufacturers are also directed to inform dealers, retailers, and consumers about GST rate changes through electronic, print, and social media channels, replacing the narrower newspaper-focused approach with a broader outreach mandate.

The revised circular also removes the earlier condition that the difference between the old and revised price should only reflect the actual GST-related change in tax.

According to M S Mani, partner at Deloitte, businesses will be relieved that some stringent requirements around labelling and media ads have been relaxed following interactions with key stakeholders last week.

"The ability to use existing packaging materials until March 31 will also be beneficial for businesses with specific packaging norms that require advance procurement," he said.

Fast-moving consumer goods companies and trade partners had flagged concerns about the re-labelling guidelines mentioned in the September 9 circular. The move would have been extremely manpower-intensive, they said, adding that tracing all unsold stock in trade channels for MRP revision would have been onerous.

"Most big companies like Hindustan Unilever and Procter & Gamble have already announced MRP reductions



## 12% GST on bricks to continue

The GST Council has retained the existing levy on bricks under the special composition scheme introduced in April 2022. Under the scheme, bricks (excluding sand lime bricks) continue to attract GST at 6 per cent without input tax credit (ITC) and 12 per cent with ITC, with a lower registration threshold of ₹20 lakh instead of the ₹40 lakh applicable to goods.

"A special composition scheme is a sector specific concessional levy under GST, recommended by the GST Council for industries with high tax evasion risks or unique compliance challenges. A scheme like this may prescribe differential options- such as a reduced rate without ITC or the option to pay regular rate with ITC. The bricks' scheme is one such example," an official said.

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through notices and ads. The new circular is a major relief and very practical, as there's a lot of unsold stock in the channels, and the mandatory re-stickering exercise would have been tedious and manpower-intensive," said a trade partner.