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Patanjali asks government to exempt ayurvedic medicines from GST

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Patanjali asks government to exempt ayurvedic medicines from GST Earlier in October, the government had reduced rates on unbranded ayurvedic medicines from 12 per cent to five per cent



Baba Ramdev-led Patanjali has asked the government to include all kinds of ayurvedic medicines under the nil Goods and Services Tax (GST) category.

Currently, unbranded ayurvedic medicines attract five per cent GST rate whereas all branded ayurvedic medicines, including classical and patented, are taxed at 12 per cent.

Earlier in October, the government had reduced rates on unbranded ayurvedic medicines from 12 per cent to five per cent.

But it is unlikely that even the low GST rates will bring down the cost of ayurvedic medicines. According to the amendment in the tax rate, the five per cent benefit can be availed only if the labels on the products are free of the manufacture's name, emblem or colour, thus, putting the product in the unbranded category.

However, the catch here is that no ayurvedic product can actually come into the market without the manufacturer's name or emblem as those products would be in violation of Drugs and Cosmetics Act. Products found to be in violation of the rule could be subject to heavy fines. That effectively means that all ayurvedic medicines sold through organised channels attract a GST rate of 12 per cent.

"What are unbranded ayurvedic medicines? Ayurved is always responsible to provide care and cure to the masses. Unbranded means anyone can make the mixture and sell it, there is no accountability. If I am accountable then I have to pay 12 per cent GST," rued Patanjali's spokesperson SK Tijarawala.

Pointing out that there is nothing called unbranded ayurvedic medicines, Tijarawala said that ayurvedic medicines can be classified under either classical or patented.

"Ayurved is classified into two segments, classical and patented. Those products falling under the classical category must fall under the five per cent. Rather I think that classical should be completely exempted," said Tijarawala.

Making a strong case for the exemption of ayurvedic medicines under GST, Tijarawala pointed out that healthcare in the country was costly and since there was so much disparity between people in the country, ayurvedic medicines could really reach every last house in the country if the taxes levied on it were relaxed.

"Patanjali believes that if ayurved is exempted from GST then the masses can get better care because we have a lack of infrastructure for allopathy and other modern medical system. Everyone cannot have access to allopathy. So, alternative medical systems like ayurveda should be given special treatment in our country where disparity is too much," said Tijarawala.