

**GOVERNMENT OF INDIA
MINISTRY OF AYURVEDA, YOGA & NATUROPATHY,
UNANI, SIDDHA AND HOMOEOPATHY
(AYUSH)**

**LOK SABHA
UNSTARRED QUESTION NO. 503
TO BE ANSWERED ON 20TH JULY, 2018**

GST ON AYURVEDIC PRODUCTS

503. SHRI JAYADEV GALLA:

Will the Minister of **AYURVEDA, YOGA AND NATUROPATHY, UNANI, SIDDHA AND HOMOEOPATHY (AYUSH)** be pleased to state:

- (a) the impact of increase of tax from 5 percent to 12 percent under Goods and Services Tax (GST) on Ayurvedic products;
- (b) whether his Ministry has taken steps to retain 5 per cent on Ayurvedic products;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) the reasons for not giving any help to indigenous products of Ayurveda as they are giving tough fight to multinational companies; and
- (e) whether any representation has been made by the Ministry before the GST council in this regard, if so, the details thereof and if not, the reasons therefor?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF AYURVEDA,
YOGA & NATUROPATHY, UNANI, SIDDHA AND HOMOEOPATHY
(SHRI SHRIPAD YESSO NAIK)**

(a) to (e): The GST rates on Ayurveda products have been fixed taking into consideration, inter alia, the total indirect tax incidence on said goods prior to GST, which included the central excise duty rates, VAT rates or weighted average VAT rates, cascading of VAT over excise duty, incidence on account of CST, octroi, entry tax, etc. However, the Government had received representations seeking reduction in the GST rates for ayurvedic medicines. As per recommendations of the GST Council the Government had reduced GST rates from 12% to 5% for Medicaments including those used in Ayurvedic system manufactured exclusively in accordance with the formulae described in the authoritative books specified in the First Schedule to the Drugs and Cosmetics Act, 1940 (23 of 1940).

Government received various representations from Ayurvedic drug manufacturers associations and other stakeholders for consideration of reducing GST rates for Ayurvedic, Siddha, Unani and Homoeopathy medicines. Based on these representations, the Ministry of AYUSH made recommendation for the intervention of Ministry of Finance and GST Council for consideration of the proposal in a favorable perspective for the promotion of AYUSH.

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