



A FREE GUIDE FOR FOUNDERS

Launch Your Ayurvedic Brand

A founder's guide to third-party manufacturing, from first formula to first batch

Choosing a product and dosage form · Classical vs proprietary · Licences and labels · Claims to avoid · MOQs and costing · Timeline · How to choose a manufacturer



You don't need a factory to build a great brand.

Most Ayurvedic brands you see on shelves and online don't own a factory. They partner with a licensed manufacturer who makes their products to their formula, under their brand name. That leaves the founder free to do what matters most: build the brand and find the customers.

This guide walks you through the decisions that come before your first batch, in the order you will meet them. It's written for first-time founders, doctors launching their own range, distributors and D2C brands adding an Ayurvedic line.

What's inside

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Please note. This guide is general information, not legal advice. Rules are made by the Ministry of Ayush and enforced by your State Licensing Authority, and they change. Confirm the requirements for your product with your State Licensing Authority or a regulatory consultant before you file.

Start with one product your customer already understands.

Your first product should be easy to explain, easy to take, and easy to reorder. The dosage form shapes all three, and it also shapes your cost, shelf life and minimum order.

FORM	GOOD FOR	THINK ABOUT
Tablets / vati	Daily-use formulas, low cost per dose, easy to ship	Coating, strip or bottle packing, tablet size
Capsules	Extracts and powders with a strong taste; a premium feel	Veg (HPMC) or gelatin shell, fill weight, bottle size
Syrups	Family and children's ranges, quick-acting perception	Bottle and cap cost, sugar base, heavier freight
Churna	Classical powders, very low cost, loyal repeat buyers	Moisture-proof pouch or jar, dose scoop
Kwath	Decoction powders for traditional buyers	Clear preparation instructions on the label
Oils (tail)	Massage, hair and joint-care ranges	"For external use only" labelling, leak-proof caps
Balms and ointments	Impulse buys, gifting, pharmacy counters	Jar or tube, fill size, summer melting point
Herbal arqs	Rose water, ajwain and other distilled arqs	Needs real distillation equipment, glass or PET bottle

Three questions to settle first

Who is it for?

Age, problem, budget and where they shop. A pharmacy buyer and an Instagram buyer want different packs.

Where will it sell?

Marketplaces reward light, unbreakable packs. Chemist counters reward familiar classical names.

What will it cost?

Work back from your selling price. Product, packaging and freight together usually need to leave room for marketing and margins.

Classical or proprietary? Decide this early.

The Drugs and Cosmetics Act, 1940 recognises two kinds of Ayurvedic medicine. Which one you choose decides how your product is named, what evidence you file, and how long approval can take.

SECTION 3(A)

Classical medicine

Made exactly to a formula in the authoritative books listed in the First Schedule of the Act: think Triphala Churna, Ashwagandha Churna or Mahanarayan Tail.

- The product name must match the name in the authoritative book (Rule 161).
- You can still sell it under your brand: "YourBrand Triphala Churna".
- Licensing rests on the text reference, so it is usually the simpler route.

Best for: a fast first launch, and buyers who already trust classical names.

SECTION 3(H)

Patent or proprietary medicine

Your own combination, using only ingredients that appear in the authoritative books, sold under a name you choose.

- Rule 158-B asks for evidence of safety and effectiveness, depending on the category.
- Rule 161-B asks for shelf life backed by real-time stability data, as per the Ayurvedic Pharmacopoeia guidelines.
- More paperwork, but a product that is truly yours.

Best for: a distinctive hero product and a brand name you own.

Tip. Many brands launch with two or three classical products to start selling and learn fast, then add a proprietary hero product once they know their customer.

Not every herbal product has to be an Ayurvedic drug. Some wellness products are regulated as foods or nutraceuticals (FSSAI) or as cosmetics instead. The route changes the rules for labels and claims, so choose it with your manufacturer before you design packaging.

Sources: Drugs and Cosmetics Act, 1940, sections 3(a) and 3(h); Drugs Rules, 1945, rules 158-B, 161 and 161-B (Ministry of Ayush; CDSCO compiled Drugs Rules).

Loan licence or third-party: who holds the licence?

Every Ayurvedic medicine sold in India is made under a manufacturing licence issued by the State Licensing Authority. Brand owners without a factory use one of two models.

	THIRD-PARTY (CONTRACT) MANUFACTURING	LOAN LICENCE MANUFACTURING
Whose licence	The manufacturer's own licence (Form 25-D) and product permissions	Your own loan licence (applied in Form 24-E, issued in Form 25-E, Rules 153-A and 154-A), using the manufacturer's premises, staff and equipment
On your label	"Manufactured by" the manufacturer, with their Mfg. Lic. No.; "Marketed by" your company	Your company as licensee, with your loan licence number, and the manufacturing site
Paperwork for you	Light: the manufacturer files product permissions	Heavier: you apply to the State Licensing Authority with the manufacturer's consent letter, label specimens and product details
Control	The formula and permissions sit with the manufacturer's licence	Product permissions are in your name, so it is easier to move later
Best for	Fast launches, pilots and first-time founders	Established brands that want long-term ownership of permissions

Other registrations most brands need

- **Company and GST registration** for invoicing and marketplace selling.
- **Trademark** for your brand name and logo. File early: an objection or opposition can take a long time to resolve.
- **Drug sale licence** if you will stock and sell to chemists yourself; ask your state drug control office whether your business needs one.

The law sets a timeline for the licensing authority: a manufacturing licence or a loan licence is to be issued within two months of the application, or of fixing any shortcomings it points out (Rules 154 and 154-A, as amended in 2021). Complete paperwork is the fastest route.

Sources: Drugs Rules, 1945, rules 2(ea) (marketer), 153, 153-A, 154, 154-A; Forms 24-D, 24-E, 25-D, 25-E.

The fastest way to lose a brand is a careless claim.

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 bans advertising any medicine for the diagnosis, cure, mitigation, treatment or prevention of the diseases in its Schedule. "Advertisement" covers labels, leaflets, websites, social posts and marketplace listings.

Conditions you can't advertise for

The Schedule lists 54 diseases, disorders and conditions, and the 1955 Rules add more. Among them:

Diabetes · Obesity · High or low blood pressure · Heart diseases · Cancer · Rheumatism · Sexual impotence · Sterility in women · Disorders of menstrual flow · Diseases of the brain and nervous system · Fevers (in general) · Kidney and gall stones · Leucoderma · Stature of persons · Form and structure of the female bust · Asthma · AIDS

The Act also bans adverts suggesting a medicine is for procuring miscarriage or preventing conception, or for improving capacity for sexual pleasure (Section 3).

Words to keep off your packs and posts

- ✗ "Cures", "permanent cure", "guaranteed results"
- ✗ "100% pure", "no side effects", "completely safe"
- ✗ "Organic", unless the product is certified organic
- ✗ Before-and-after promises, "doctor recommended" without proof
- ✗ Any disease name from the Schedule

What you can say

- ✓ The classical name, ingredients and their quantities
- ✓ The traditional use as described in the authoritative text, worded carefully
- ✓ Dosage, directions and "use under medical supervision" where required
- ✓ Facts about quality: GMP-certified manufacture, batch testing

Section 4 of the Act also bans any advert that gives a false impression of a medicine's true character or makes a false claim. When in doubt, leave it out, and have your label and launch copy reviewed before printing.

Source: Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954, sections 3 and 4 and the Schedule; Drugs and Magic Remedies Rules, 1955, rule 6 and its Schedule (India Code).

Start small. Prove it. Then scale.

A large first order ties up cash in stock you haven't sold yet. A pilot batch lets you test the product, the pack and the price with real customers before you commit.

PILOT

500 units

Test the market. Check the taste, the pack, reviews and your repeat rate.

GROWTH

2,500 units

For brands with proven demand. A lower cost per unit and steadier stock.

SCALE

10,000+ units

For established channels. The best unit economics and planned production slots.

Where your cost per unit comes from

COST	WHAT DRIVES IT
Formulation	Herbs and extracts, their quality grade and the dose per unit
Manufacturing	Dosage form, batch size, coating or special processing
Primary packaging	Bottle, jar, strip or pouch, cap, seal and label
Secondary packaging	Carton, leaflet, shipper box
Testing	Raw material and finished product tests per batch
One-time costs	Label and carton design, printing plates or cylinders, product permission fees
Taxes and freight	GST on the invoice, and delivery to your warehouse

Tip. Packaging often costs as much as what's inside it, and printed cartons and labels usually have their own minimum print runs. Ask for a quote that splits product and packaging, so you can see where to save.

Label checklist for an Ayurvedic medicine

Rule 161 of the Drugs Rules, 1945 lists what must appear on the innermost container and on any outer carton. Tick these off before you sign off artwork.

Required by Rules 161 and 161-B

- ☐ Name of the medicine (the authoritative-book name for classical medicines)
- ☐ True list of all ingredients, with the quantity of each
- ☐ Reference to the method of preparation in the authoritative text
- ☐ Net content in metric units (weight, volume or number)
- ☐ Name and address of the manufacturer
- ☐ "Mfg. Lic. No." followed by the licence number
- ☐ Batch number
- ☐ Date of manufacture
- ☐ Date of expiry (Rule 161-B)
- ☐ The words "Ayurvedic medicine"
- ☐ "FOR EXTERNAL USE ONLY" for oils, balms and other external products
- ☐ "Caution: To be taken under medical supervision" in English and Hindi, if an internal medicine contains a Schedule E(1) ingredient

Good practice and other laws

- ☐ "Marketed by" with your company's name and address
- ☐ MRP, consumer-care contact and other packaged-goods details under the Legal Metrology rules
- ☐ Dosage and directions for use
- ☐ Storage instructions ("Store in a cool, dry place")
- ☐ Barcode, if you'll sell on marketplaces or in retail chains
- ☐ No claims that break the Drugs and Magic Remedies Act

Choosing the pack

- ☐ Moisture protection for churna and tablets
- ☐ Leak-proof caps and seals for oils, syrups and arqs
- ☐ Drop and transit test for e-commerce
- ☐ Room on the label for every line above, readable at size

Source: Drugs Rules, 1945, rules 161 and 161-B (CDSCO compiled Drugs Rules; India Code).

From formula to first batch

A classical product made under a manufacturer's existing licence can move quickly. New product permissions, proprietary formulas and new packaging take longer. Here's the usual order of work.

- | | |
|---------------|--|
| Step 1 | Brief and formula. Agree the product, dosage form, dose, target price and channel. Choose a classical formula or define your proprietary one. |
| Step 2 | Samples. The manufacturer makes trial samples for taste, colour, texture and pack fit. Expect a round or two of tweaks. |
| Step 3 | Quote and agreement. Fix batch size, unit price, packaging, testing, payment terms and who owns the formula. |
| Step 4 | Licence and product permission. Your manufacturer adds the product to its licence, or you file for a loan licence. The rules give the authority up to two months once the file is complete. |
| Step 5 | Artwork and packaging. Design, a compliance check against the checklist on page 8, printing and delivery of packaging. This often runs alongside step 4. |
| Step 6 | Production. Raw materials are tested, the batch is made and packed, and records are kept for every batch. |
| Step 7 | Quality release and dispatch. Finished goods are tested and released, then shipped with invoice and batch documents. |

What usually slows a launch down

Late artwork changes after printing plates are made.

Incomplete licence files, which restart the clock.

Packaging minimums and supplier lead times.

Ten questions to ask before you sign

Your manufacturer's licence, quality system and paperwork become part of your brand. Visit the unit if you can, and ask to see documents, not just brochures.

- 1 **Is the unit AYUSH GMP certified?** Good Manufacturing Practices for Ayurvedic medicines are set out in Schedule T of the Drugs Rules. Ask to see the certificate.
- 2 **Do they follow a quality management system** such as ISO 9001:2015?
- 3 **Can they make your dosage form in-house,** or will parts be outsourced?
- 4 **How do they test?** Ask about raw material checks, finished product tests and whether they use a government-approved drug testing laboratory.
- 5 **What documents come with each batch?** Batch records, test reports and a certificate of analysis.
- 6 **Will they run a small pilot batch,** and what is their minimum order?
- 7 **Who owns the formula?** Get it in writing, along with confidentiality.
- 8 **Will they check your label and claims** before you print?
- 9 **What are the real lead times** for samples, permissions and repeat batches?
- 10 **How long have they been making Ayurvedic medicines,** and can you speak to brands they make for?

Red flags: no visit allowed, no batch documents, a promise of "any claim you want", or a quote far below everyone else's with no explanation.

Sources: Drugs Rules, 1945, Schedule T and rules 160-A to 160-J (drug testing laboratories), as described by the Ministry of Ayush (PIB).

Making Ayurvedic medicines in Amritsar since 1959

Vaid Raj Kumar Passi started Prabhat Ayurvedic Pharmacy in 1959 with one rule: make each medicine the way the classical texts say. Today we make medicines for our own Prabhat and Sattam ranges, and for brands across India.

- ✓ **AYUSH GMP certified** manufacturing unit
- ✓ **ISO 9001:2015** quality management system
- ✓ **Tablets, capsules, syrups, churna, kwath, oils, balms and ointments** under one roof
- ✓ **In-house distillation** for herbal arqs and hydrosols such as rose water (Gulab Arq)
- ✓ **Third-party, private label, white label and loan licence** manufacturing
- ✓ **Pilot batches from 500 units**, growing to 2,500 and 10,000+
- ✓ **Label and compliance check** before you print



Ready to launch your brand?

Tell us your product idea, dosage form and target quantity. We'll suggest a formula route, share samples and send a quote with product and packaging costs shown separately.

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