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Industry reacts to Interim Budget 2019-20

01 February 2019 | Features

Interim Budget 2019-20 has been presented in the Parliament by the Union Minister for Finance, Corporate Affairs, Railways & Coal, Piyush Goyal.

Creating a healthy India with distress-free and comprehensive wellness system for all is a laudable aim, which can be achieved by the widespread adoption of indigenously developed medical technologies that solve problems faced by Bharat and India both. Artificial intelligence has the potential to disrupt Healthcare Delivery in the country. With the focus on Digital India in the last few years and integrated with this New AI initiative will help us to meet some of the challenges in the Healthcare Industry.

Siraj Dhanani & A. Vijayarajan, Founders, InnAccel Technologies

We applaud the Government on the announcement of a budget directed towards the lesser privileged and middle class population. The budget this year has indeed addressed a lot of issues that will help the economy to prosper. The allocation of Rs 19,000 crores for the development of the roads in the rural areas is a great initiative. Being an emergency medical provider, this will help us reach out to the remotest corners of the country which has connectivity constraints. The success of the Ayushman Bharat Scheme is commendable and we are glad that the healthcare sector of the country is undergoing a significant transformation. We hope that the Skill India program will include training of youths to become dedicated paramedics to help efficient and quality ambulance services. One avenue that should have been looked at is making Healthcare services "zero-rated" under GST provisions, instead of being exempted, as the cost of inputs throughout the industry could further be reduced by claiming refunds of taxes paid on these inputs. This would help to enable these specialized services to reach out to the masses.

Manish Sacheti, CFO, Ziqitza Healthcare

This is a commendable Budget with all the right intentions. It has several announcements that can be a gamechanger for the Indian economy and society in the years ahead. Three major provisions have been announced – direct income support to 12 crore farmers, pension scheme for poor workers in the unorganized sector, and full income tax rebate till an income of Rs 5 lakhs. These, along with the prevailing low inflation rate, will increase liquidity with the middle and poorer sections of the society in both rural and urban areas. It will leave people with more money to spend on basic necessities of life such as food and healthcare. The ongoing Swachh Bharat Mission, 98% sanitation coverage in rural areas, and schemes like Ayushman Bharat and free LPG connections are positively impacting healthcare parameters of the society. It is heartening that the Government has declared a “Healthy India” as part of its future vision for the country. Its stated goal of working towards a distress-free healthcare system and a functional and comprehensive wellness system for all Indians is welcome. I however feel that the Government should have taken some positive steps towards increasing the public healthcare expenditure as percentage of GDP from beyond a mere 1%, and announced some incentives to enable the spread of modern healthcare system and hospitals beyond the cities to smaller towns and villages. The Government should have also reduced import duty on implants to make joint replacements affordable to the masses.

Dr. Vikram Shah, Chairman & Managing Director, Shalby Limited

We welcome the budget! It is a people focus budget. Our honourable standing finance minister Piyush Goyal announced the series of measures in Budget 2019 - 20 to promote AI and infrastructure, and we as a company are looking forward to its future scope. iRAM would be standing with Minister’s initiative to build next-gen infrastructure physical as well as social for a $10 trillion economy and to provide Ease of Living. This will also mean opportunities for the smart city venture and companies like iRAM. We will be working closely with the government to make basic facility available like smart parking solutions, smart lighting solutions, infrastructure etc. Also, the announcement to build a Digital India that reaches every citizen by creating innumerable start-ups and jobs, will give a major impetus to the smart city initiative. National centre for artificial intelligence is under consideration. Along with that a national AI portal will be developed soon, and this is a very welcome step for IoT enabled companies like iRAM.

Udaya Bhaskar Rao Abburu, CEO & Managing Director, iRam Technologies

With the announcement of National Artificial Intelligence portal, we expect India to be propelled on the path of leveraging advanced and disruptive technologies for economic prosperity and growth. We congratulate the government for this forward-looking budget.

Aakrit Vaish, CEO and Co-founder, Haptik

Finance Minister Piyush Goyal's Interim Budget 2019 can be summed up as a series of sops for the middle class, farmers and millions of employees in the unorganized sector. Not only does he promise to put more disposal income in the pockets of Middle-Class India, he is also seeking to improve the quality of life of people at the bottom of the pyramid, particularly the small and marginal farmers, and unorganized sector workers. In short, it a great Budget for that should spur consumption. The government's decision to allocate Rs 60,000 crore for MNREGA and another Rs 19,000 for construction of rural roads under Gram Sadak Yojana, coupled with the increased interest subvention scheme for distressed farmers and the modest farm support scheme offering income support for marginal farmers tick all the right boxes when it comes to fueling the Rural and Agrarian Economy. The minister also announced a social security coverage for workers in the unorganized sector. These are steps in the right direction and would go a long way in improving their quality of life. But the biggest beneficiary this year is Middle-Class India. The government decision to exempt tax on an income of up to Rs 5 lakh for individuals tax payers and an increase in standard deduction to Rs 50,000, the hike in TDS threshold for home rent and higher Capital Gains tax exemptions under Section 54 are big-ticket reliefs for the Aam Aadmi. I am confident this Budget would boost overall consumer confidence and play a catalyst for demand generation for branded consumer staples and consumer products. What's also heartening to see is the government's commitment to long-term reforms while addressing a changing international tax landscape. The decision to process Income-Tax returns within 24 hours and immediate payment of refunds, in addition to anonymizing tax scrutiny within the next two years to beat corruption and increase ease of process are steps that will create the foundation for a new-age India. The Interim Budget, I feel, has successfully laid down the blueprint for creating an enabling framework that would promote growth.

However, the upward revision in fiscal deficit target to 3.4% of GDP for 2018-19 and 2019-20 remains an area of concern. Also, there is not much clarity on the government vision and strategy for improving infrastructure and job creation.

Sunil Duggal, CEO, Dabur India Ltd

The interim budget presented by the honourable finance minister is on expected lines given that the country is going to polls in another few months. However, we would have expected more for the healthcare and diagnostics sector given that that seems to be the stated focus of the government since the beginning. The last year has been a challenging one for India's private healthcare providers. Increasing costs of doing business as well as an overall slowdown in consumers business due to increased competition and most of the sector being in expansion mode. The overall sector has become less attractive for investments without which growth gets hindered significantly.

We welcome the proposals for the middle class and we expect it will encourage people to increase expenditure on consumer healthcare and preventive care. Further, the intent expressed in the budget, especially regarding the goals and increased fund allocation for Ayushman Bharat, are commendable. But what remains to be seen is the execution part of it. The government must look at better partnerships and incentives for the private healthcare and diagnostic providers if it expects to successfully achieve its target of universal healthcare for all in the country in the next few years.

The cost reduction of secondary and tertiary care hospitalization facilities and medication has already benefitted lakhs of people across the nation. The proposal to strengthen the healthcare infrastructures of the economy by inaugurating multi-speciality hospitals such as AIIMS or primary healthcare centres is also to be appreciated.

Arindam Haldar, CEO, SRL Diagnostics

The honourable finance minister's proposals laid out in today's budget are commendable. The focus on assuring access to quality healthcare services has the potential to change the way Indians live and work. National Health Protection Scheme-Ayushman Bharat has taken long strides to ensure the achievement of the Prime Minister's vision of providing quality and affordable healthcare facilities to all. Already around 10 lakh poor and vulnerable people have benefited through the free medical treatment made available under the scheme. Significant number of poor and middle class people are also benefitting from the reduction in prices of essential medicines, cardiac stents and knee implants at affordable prices. Government's approach to advance the healthcare infrastructures of the economy by inaugurating multi-speciality hospitals such as AIIMS or primary healthcare centres is also significant.

Healthcare is a backbone of any economy and a healthy India is essential to keep up the growth momentum of our nation and contribute towards becoming a $5 trillion economy in the next five years. I congratulate government on their visionary approach to building a distress-free and comprehensive healthcare system for all.

Dr. Manoj Luthra, CEO, Jaypee Hospital

It is encouraging and happy to know that the Government has announced the largest government-funded healthcare scheme, Ayushman Bharat which will be beneficial to nearly 50 crore people. The reduction in the prices of essential medicines, cardiac stents and knee implants, and availability of medicines at affordable prices through Pradhan Mantri Jan Aushadhi Kendras will help lakhs of poor and middle class people is definitely a welcome move. This scheme will further empower the poor and under privileged to avail medical services. We expected the government to provide sops for the healthcare service providers and encourage them to adopt technology like Artificial Intelligence, Virtual Reality, and the likes. These technology implantations will revolutionize precision based diagnosis, detection and prevention of diseases and benefit the citizens of the country.

Dr. Somesh Mittal, Managing Director & CEO, Vikram Hospital Bengaluru

A multi-faceted budget that addresses the long-term challenges of our healthcare system and lays the foundation for a sustainable future health status of India is what we all expect. Although last year's budget had the mega announcement of "world's largest healthcare scheme", Pradhan Mantri Jan Arogya Yojana (PMJAY), undertaken by the government, the success of the same is subjected to the availability of good infrastructure. This year's interim budget has limitations to address the issues relating to poor public infrastructure. Further measures must be undertaken to provision public-private partnerships to create a sustainable healthcare system under good governance in addition to provisioning the availability of skilled manpower for the hospital sector.

The middle-class will be benefitted with an additional disposable income to spare for their healthcare needs with the announcement of zero tax payment for individuals earning up to Rs. 5 lakh, including the others who invest in tax-saving instruments the relief is up to Rs. 6.5 lakh. Further, Pradhan Mantri Jan Aushadhi Kendra reassures price reductions in some of the life-saving generic drugs and stents that reflects a concern for the needy. As for the inter-country Meditourism, the industry will see an increase since the announcement of increased scope of inter-state communication and transport.

With advancements in technology and globalisation driving disruption, opportunities for healthcare start-ups has been understood well and an ecosystem where innovation thrives has been created in the last few years. The relief in the form of paying quarterly returns thereby reducing the burden is a great addition.

Ishiqa Multani, Executive Director, Sagar Hospitals

With the new budget comes an indication that we will be taking on a more comprehensive approach to healthcare and wellness, and I think that it is definitely aimed in the right direction. However, I hope that this holistic vision will mean a more focused approach to mental health as well, especially in terms of creating the required infrastructure and encouraging more mental healthcare professionals. According to the plans outlined, there should be around 1.5 lakh Health and Wellness Centres by 2022, and I do hope that the promise of affordable treatment extends to mental health as well. While we are taking positive steps to provide health insurance and reduce the burden of medical expenses on lower income families, I think it would not be as effective in the long run if it does not offer the same for mental health concerns as well. 1 in 5 Indians suffer from a mental health concern, and if left unaddressed, we could be seeing its negative impact on our economy to the tune of trillions by 2030.

Neerja Birla, Founder and Chairperson, Mpower

A budget is expected to make major policy changes in future every year. Our Government has given a major push to making healthcare more accessible through the Ayushman Bharat scheme, we are hopeful new strategies and announcements will be made to further boost the PMJAY programme. We are also hopeful of new funds to be added to the scheme which will benefit the providers to a great extent and ease in the process of medical service delivery. It is great to know that under Ayushman

Bharat around 10 lakh sick people have already received treatment and Rs 3000 crore have been saved by poor families. Shri Piyush Goyal also stated his government's intention of providing an "environment of health assurance" for all people. The government can now introduce new strategies to make sure that all Indian citizens are covered under some kind of health insurance by launching new insurance initiatives for the middle classes and reducing the GST slab on insurance premium from the current 18%. We expect the Government to boost the scheme as it is needed by the masses of the Nation, by everyone in future

Dr Dharminder Nagar, MD, Paras Healthcare

Quality medical technologies and diagnostics are a critical component of a well-functioning healthcare delivery system. The need of the hour is to better recognize the role of medical devices towards ensuring on-ground success of the Ayushman Bharat scheme. AdvaMed and its member companies congratulate the government for treating close to 10 lakh patients under this scheme, that reflect the ongoing success of the scheme. We are encouraged to see healthcare at the forefront of policy making and are hopeful that medical device sector will receive its rightful place in the overall healthcare continuum. Government's announcement of the 22nd AIIMS during the Interim Budget 2019 is a testimony to that. AdvaMed is aligned with the Government's larger goal of ensuring access to affordable and quality healthcare, while building an environment that is 'innovation friendly, predictable and sustainable'. Having said that, while Minister Goyal acknowledges that price capping of medical devices had reduced costs, we like to point out, price control goes against patient interest by failing to reward innovative technologies thereby limiting patient choice for current and future medical device innovations. It is critical to look at the quality of healthcare available to patients in India. In this context, we hope that the government looks at policies that will promote the environment for quality innovation for this technology-driven sector. We continue to urge the government to opt for a more scientific approach such as trade margin rationalization from the first point of sale (i.e. sale to distributor) to address inefficiencies in the healthcare delivery system that burdens patients. In addition, as part of this patient centric approach, AdvaMed renews its call for globally harmonised regulations to ensure best in-patient safety and product performance which will bring in transparency and encourage innovation. We would like to re-iterate that medical devices and pharmaceuticals are vastly different in their development, evolution, manufacture, method of delivery and impact on patients. Hence, there is a need for a separate regulatory framework for medical devices.

AdvaMed

The budget has maintained a pragmatic balance between the country's economic development and holistic growth. While the Vision 2030 is a commendable move taken towards building a distress-free and comprehensive wellness system for all, it will act as an impetus in making India health confident. Also, the full rebate on income up to Rs 5 lakh will leave more money with people to buy health insurance and other investment avenues, which will ensure their financial security against unforeseen situations.

Antony Jacob, Apollo Munich Health Insurance

This union budget has further showcased the government's intent to provide an equal opportunity to small and medium businesses. Its initiatives like increasing the sourcing to 25% from SMEs by Government enterprises, doubling the exemption from GST from Rs 20 to Rs 40 lacs and 2% interest rebate on incremental loan of Rs 1 Crore to GST-registered SME units will continue to benefit this business segment. The thrust on Digital India and massive penetration of Mobile internet is propelling the consumers to not only visit the e-commerce platforms thereby increasing the top lines of consumer product companies but also in enhancing the awareness about the product innovation which could meet their needs. Lesser income tax burden is one of the most important announcements impacting the large strata of the country thereby making higher available money on consumer products.

Rahul Paith, Chief Operating Officer, DocOnline.com

The 2019-20 union budget comes as a cheer to many due to the government's attempt of creating a mass -budget this year with special focus on rural health. Ayushman Bharat Scheme that was launched last year for providing medical treatment to around 50 crore people have so far treated 10 lakh people who could save nearly Rs 3,000 crore. This is a great achievement by the country's healthcare and roping in private hospitals to the scheme as proposed by the government last year will

certainly provide more teeth to it. However, more allocation of fund for appropriate execution of the scheme was a necessity and was expected. Apart from announcing about 14 new AIIMS since 2014, the announcement regarding setting up of 22nd All India Institute of Medical Sciences (AIIMS) in Haryana is a welcome move towards enhancing advanced medical research in India, producing a greater number of qualified medical professionals and expanding opportunities for the aspiring medical students of the country. The government's vision towards having a distress free healthcare and a functional, comprehensive healthcare system by 2030 are praiseworthy. Availability of drugs at a subsidised price at Jan Aushadhi Kendras and implementation of a price cap on drugs have made medicine affordable for all. With five lakh villages being declared open-defecation free along with achievement of over 98% rural sanitation coverage, there will be a certain improvement in both rural and urban health condition.

Shanthini Arunthavanathan, Chief Financial Officer (CFO), Westminster Healthcare, Chennai