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**@Chennai** | 12<sup>th</sup> Edition | August 01 - 03, 2014 | Chennai Trade Centre, Chennai, India

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## Budget 2014: Amol Naikawadi, Joint MD, Indus Health Plus

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PUBLISHED ON THURSDAY, 10 JULY 2014 17:24

Overall, the health market players may not be too happy since there aren't any major reforms announced for the entire health industry. We have again failed to make the government realise that it is important to address the increasing health issues. Various non-communicable and communicable diseases are taking a toll on the nation's health and overall growth.

The free diagnosis services under 'Health for All' will encourage more people to undergo healthcare checkups which will further help in early diagnosis and treatment of diseases. The opening of AIIMS and 12 medical colleges will ensure better medical facilities, tertiary care and trained medical professionals but this however may solve sectorial problem only. Nationally the concern for health can't be addressed with this number. Increased GDP allocation on healthcare will make good healthcare services almost affordable to the lower income groups. This would also include spending more on public health services and making health insurance available to all. The tax benefit offered in general will be of a great help for the disposable income earners to invest in preventive healthcare.

Increase of tax by 60-70 per cent on cigarette will decrease the consumption rate, hence the risk of cancer can be reduced due to smoking and tobacco consumption.



## Corporate sector lauds Modi govt's maiden Union Budget

India Blooms News Service

**Mumbai, July 10 (IBNS):** With the announcement of Narendra Modi government's maiden Union Budget on Thursday, corporate bodies and industry leaders expressed their opinions on it and welcomed the new moves.

The corporate leaders lauded Union Finance Minister Arun Jaitley's Budget for focussing on improving the infrastructure sector by involving the private sector and also called it a 'pragmatic budget'.

Founder Chairman & Managing Director of GVK Power and Infrastructure Limited GVK Reddy said, "The Budget 2014-15's specific thrust on the infrastructure sector is a welcome move. The assurance to ensure adequate supply of coal for thermal projects, the tax holiday for the power sector, allocation of over Rs 37,000 crore for roads and focus on developing airports under PPP for Tier I and II cities; all indicate the government's recognition of the fact that a strong foundation of infrastructure can only help realise a country's economic growth."

Managing Director & Group CEO, Punj Lloyd JP Chalasani said, "With the Government's proactive policies and announcements made in the budget today to support the private sector's involvement in Indian infrastructure, the future looks promising for the EPC companies in the domestic market. Government's plans to invest significantly in the oil and gas, roads and highway, airport, harbor and port sector, will offer sufficient opportunities to players in this industry."

"Private Public Partnership (PPP) model in awarding several projects in the infrastructure space has taken on a very forward looking approach, encouraging the private players. We are very optimistic about reviving growth in the infrastructure and manufacturing sector," he said.

JCB India MD & CEO Vipin Sondhi opined, "Given that this Government has been in office for less than 2 months, no big bang reforms were anticipated. The Union Government recognizing the need for revival of investment cycle had already extended the Excise Duty Cut on Capital Goods for another 6 months in June, 2014 itself.

"The Budget's focus on infrastructure sector, encouraging banks to lend long term funds to infrastructure sector, extending the benefit of investment allowance to Small and Medium Enterprises and emphasis on manufacturing growth should help revive the capital goods sector. While PPP in relation to many new projects has been announced, however, a roadmap for execution of existing held up projects could have helped turn things quickly," Sondhi said.

Micromax Chairman Sanjay Kapoor praised Jaitley's effort and said, "The Finance Minister has made pragmatic choices around available resources and has articulated a road map towards reducing the fiscal deficit and fueling economic growth. While all of us hope he achieves the ambitious target of containing the fiscal deficit, executing it seems very challenging. His focus on giving fillip to the infrastructure seems exhaustive and he has rightfully protected the common man's interest in his first budget."

In the view of the Union Budget presented on Thursday, Ravi Saund, COO, CHD Developers Ltd. however, said, "There's no denying it's a common budget, yet it's difficult to prophesize at this moment. However, couple of reforms announced is a welcome move. It is positive for the housing sector, though the focus is clearly on affordable segment."

Managing Director and CEO, National Skill Development Corporation (NSD) Dilip Chenoy stated: "The present government has started with a very strong commitment to develop a robust and sustainable skilling ecosystem with the Prime Minister's vision for building India on the 'Skill, Scale and Speed' plank. As a clear reiteration of this commitment, the Finance Minister in his Union Budget speech today, has also provided this government's full support to build the Skill India Mission and the announcement of National Multi-Skill Mission. How this unfolds in the coming months is something we need to wait and watch."

President, MCC Chamber of Commerce & Industry and MD, CenturyPly Sanjay Agarwal said, "This is no quick relief shot, but a long term medicine at the root for real solution. The focus on roads...low cost housing...housing....smart cities...will generate demand for all goods and jobs in medium and long term. This will give long term boost to all industries and common man."

Welcoming the new government's budget, Fr.E. Abraham, S.J., Director, XLRI, said, "We welcome the Finance Minister's proposal to ease and simplify norms to facilitate higher education loans for higher studies. This is a step in the right direction as it will encourage students to dream and aspire to take up professional programs. The proposal to set up 5 new IIMs and 5 more IITs will definitely bolster the professional education ecosystem in the country and also help the respective states in their economic progress. It is heartening to note that the govt will be spending around Rs.28, 000 crores for sanitation in primary schools."

However, Amol Naikawadi Joint Managing Director, Indus Health Plus said, "Overall, the health market players may not be too happy since there aren't any major reforms announced for the entire health industry. We have again failed to make government realize that it is importance to address the increasing health issues. Various non-communicable and communicable diseases are taking toll which affects the nation's health and overall growth."

Commenting on the budget, Indian Chamber of Commerce (ICC) said it felt that the Union Budget 2014-'15 is an inclusive, pragmatic and progressive budget.

"Push to FDI in Defence and Insurance, special focus on developing 100 Smart Cities, Agri Infrastructure, tourism infrastructure, national waterway, warehousing capacity are some major diligent steps that will lead to greater investors confidence and boost up economy's growth," the Chamber expressed.

"Though big-bang measures or structural reforms which the Industry was ideally looking forward to, have not been brought in, the Budget looks like a balanced and pragmatic one with a focus on key areas," it said.

As the nodal Chamber of Commerce for the North East of India, the ICC said it is especially happy to see the special attention that has been given towards the development of the North East region in this Budget.

In the wake of the Union Budget presentation, Seshagiri Rao, Jt MD & Group CFO, JSW Steel commented, "The Finance Minister was entrusted with enormous responsibility to balance the fiscal prudence and growth stimulating initiatives. In this background the Finance Minister has done a commendable job."

Reacting on the budget, Arun Kumar Jagatramka, CMD, Gujarat NRE Coke Ltd noted, "The budget has been pro growth with a social face and the finance minister has tried to do things possible under the present circumstances and the prevailing challenges. The budget has aimed at bringing in rationalisation in taxation and a certainty in tax administration, notable being doing away with retrospective taxation in future. The focus on infrastructure both in national highways and in power sector as well as in urban infrastructure through smart cities is a much welcome step which has the potential to fuel future growth."

Anand Mehta, Partner (Pharmaceutical and Healthcare sector group), Khaitan & Co. said, "The budget lays a lot of emphasis on spurring growth in the manufacturing sector. The investment allowance linked to the new investments in plant and machinery are likely to benefit pharma companies also."

"The Government has hinted at supporting SEZs. Pharma companies setting up export units should be enthused by this intent, although the devil lies in the details," he said.

"The budget as proposed will encourage R&D. The Government has proposed to strengthen biotech clusters. Innovator companies are also likely to benefit from the proposed provision for refund of customs duty on the import of scientific and technical instruments," added Mehta.

Emami Group of Companies' Joint Chairman R S Agarwal said, "The maiden budget presented by the BJP led NDA Government is in overall a very good budget. The new government deserves applause for presenting an inclusive and progressive budget within one month of its tenure. The budget is aimed towards expansion of the country's economy and develop a future roadmap for growth. One must remember that the new government has a huge task of overcoming lot of problems that they have inherited as a legacy of the earlier government. The budget has managed to address many concerns that have been raised frequently in the past by both industry and common people."

Bharat Chamber of Commerce President Sajjan Bhajanka said, "Given the constraints of resources and time, the Budget presented by the Hon'ble Finance Minister is one of the most pragmatic in recent years. The commitment of the Hon'ble Finance Minister in introducing GST and DTC and other fiscal reforms is evident from his taking the ambitious

benchmarks of Fiscal Deficit and Current Account Deficit for 2014-15 set by the UPA-II as challenges. The much needed emphasis on 'Ease of Doing Business' has been reflected in the Hon'ble Finance Minister's Budget Speech."

Praising the new budget, Vinay Jain (CMD, AVJ Group) said, "There are lots of positive things announced in the budget. Special funds for banks to finance long term infrastructure projects are really positive. FM increased the taxable income limit to 2.5 lakh from 2 lakh. 80 C limits increased to 1.5 lakh from Rs. 1 lakh. Interest exemption on housing loan increased from Rs1.5 lakh to Rs. 2 lakh. This is very much positive for the real estate sector as well as for the banking sector."

Piruz Khambatta, Chairman, Rasna Pvt.Ltd. said, "If the main focus of the budget was to get confidence back on track we have achieved it. At least we will see more investments from Indian companies as well as from abroad."

ICICI Bank MD & CEO Chanda Kochhar said, "The budget has sought to lay out a prudent fiscal path for the country; and address existing issues that have halted infrastructure investment. The budget has announced a range of initiatives to boost investment & growth. The policy direction is clear, and as the decisions and plans announced today are executed, I am sure the country will move back towards a robust growth path."

Calling the budget positive, Sanjay Budhia, Managing Director, Patton, said, "This is a very positive Budget which paves way for unfolding India's growth story. It is Budget which is practical and sustainable."

Aiming to take the growth of Indian economy to over 7 percent in next few years and reducing fiscal deficit, Union Finance Minister Arun Jaitley presented the Budget for 2014-15, the maiden of the Narendra Modi government, with a big focus on the rural and agriculture sectors and announcing a clutch of infrastructure schemes and measures to woo foreign investors by welcoming FDI in defence and insurance sectors.

Jaitley also raised the income tax limit for the common man to Rs 2.5 lakh from the existing Rs 2 lakh and did not make any changes in the direct taxes.

Jaitley announced an increase in the FDI in defence to 49% from the existing 26%. FDI in Insurance sector was also raised to 49 percent.

Home » Mumbai

# Proposed Vidarbha AIIMS will take at least 5 years to take off

Friday, 11 July 2014 - 7:10am IST | Agency: DNA



File picture of New Delhi AIIMS for representational purpose

Even as finance minister Arun Jaitley suggested in his budget speech on Thursday that every state in India should have an All India Institute of Medical Sciences (AIIMS), experts here in the city said it would take at least another five years for the proposed institution to come up in Vidarbha in the state.

The Centre had turn down the state's request for setting up an AIIMS-like institution in 2012. Apart from the one in Delhi, five AIIMS became functional last year—in Patna, Rishikesh, Bhubaneswar, Bhopal and Raipur.

"An AIIMS like institution for Vidarbha is a long haul. The five AIIMS that were proposed by the UPA six years ago, saw the light of day only recently, and they are still not fully functional," said Ravi Duggal, a city-based senior public health expert.

Jaitley has proposed setting aside Rs 1,906 crore in capital and Rs 600 crore in revenue expenditure for AIIMS institutions.

"Apart from upgrading the existing institutions, these funds will be earmarked for setting up new institutions as well as upgrading 18 hospitals across the country, which means that the four new institutions, proposed for Vidarbha, Purvanchal, West Bengal and Andhra Pradesh, may get an initial allotment of Rs 50 crore each from the capital expenditure," observed Duggal.

AIIMS New Delhi, which has an annual functional budget of Rs 1,365 crore, sees 10,000 patients thronging its vast corridors every day. The five other functioning AIIMS are only half the size of the Delhi AIIMS.

"They will require an adequate funding and requisite manpower to function properly," said Duggal.

Merely announcing that AIIMS and 12 medical colleges will be opened will not solve the health care issues of the nation, said experts.

"Increased GDP allocation on health care will make good health care services almost affordable to the lower income groups," said Amol Naikawadi, managing director, Indus Health Plus. Currently, only 1 per cent of the total GDP is allocated for health care, which means that only 1 per cent of the national income goes towards health care spending, whereas WHO recommends that at least 5 per cent of the GDP should be spent on upgrading health care.

### **Prices of cigarettes set to rise**

Excise duty on cigarettes has gone up from 11% to 21%; WHO recommends levying 65% tax on cigarettes.

In India, 22% of the population chews tobacco, 6% smoke cigarettes and 3% bidis. Doctors rue taxes on bidi not being raised.

Cigarette price hike will see each Rs10 stick going up to Rs 15–16. A pack of 20 cigarettes, which now costs close to Rs 200, will cost up to Rs 300.

Excise duty on pan masala is proposed to be increased from 12% to 16%; on unmanufactured tobacco to 55% from 50%, and on Gutka and chewing tobacco to 70% from 60%.

## Healthcare players not happy with budget: Amol Naikawadi, JMD, Indus Health Plus

10 JUL, 2014 | Bangalore  
Bureau Report



"Overall, the health market players may not be too happy since there aren't any major reforms for the entire health industry announced by the union finance minister Arun Jaitley in his maid budget presented today in Lok Sabha," said Amol Naikawadi, Joint Managing Director, Indus Health Plus.

Naikawadi further said "We have again failed to make government realize that it is importance to address the increasing health issues. Various non-communicable and communicable diseases are taking toll which affects the nation's health and overall growth."

"The free diagnosis services under Health for All will encourage more people to undergo healthcare checkups which will further help in early diagnosis and treatment of diseases. The opening of All India Institute of Medical Sciences (AIIMS) and 12 medical colleges will ensure better medical facilities, tertiary care and trained medical professionals but this however may solve sectorial problem only. Nationally the concern for health can't be addressed with this number. Increased Gross domestic product (GDP) allocation on healthcare will make good healthcare services almost affordable to the lower income groups. This would also include spending more on public health services and making health insurance available to all. The tax benefit offered in general will be of a great help for the disposable income earners to invest in preventive healthcare" says Amol Naikawadi.

"Increase of tax by 60 -70% on cigarette will decrease the consumption rate, hence the risk of cancer can be reduced due to smoking and tobacco consumption," added Naikawadi.



[Home](#) › [News](#) › **Union Budget 2014-15: Does every state really need an AIIMS?**

## Union Budget 2014-15: Does every state really need an AIIMS?

[Pavitra Sampath](#) July 10, 2014 at 7:04 pm



This year's Union Budget saw the Finance Minister announce that he has allocated Rs500 crore in order to open 4 more AIIMS hospitals all over the country. In his plan he said, 'We will set up 4 AIIMS in AP, WB, Vidharbha, Purvanchal, and set up new institutions within Delhi-AIIMS and Chennai-AIIMS.'

While this move seems like a step in the right direction, there are some pitfalls that might accompany this decision. According to **Mr Amol Naikawadi, JMD, Indus Health Plus**, 'It's good to introduce the number of AIIMS-like hospitals in the country, but this however may solve only sectional problems and might not be enough to address the healthcare needs of the entire nation. 10 new hospitals is a far too small a number for that.'

### Does every state really need an AIIMS?

While cities like Mumbai and Delhi have a large number of government-run hospitals, that work as well as AIIMS – for instance KEM hospital, Nair Hospital, etc. which are known for their prowess in handling delicate and serious illnesses – there are those states that have no such infrastructure.

On looking a little closer at the functioning of AIIMS the hospital has courted its own fair share of controversies. In a recent report published in the *Times Of India*, it was found that the hospital spends close to about 20 lakh on one doctor and 34.6 lakh on super specialists. Along with this, the original AIIMS has also seen a [spate of doctor leaving](#) due to a variety of reasons including the lure of greener pastures, fatter pay checks and office politics. The institute has also faced a [severe shortage in staff](#) with nearly 47 posts of professors, additional professors (9), associate professors (16) and nursing lecturers (13) are lying empty.

On the flip-side, AIIMS has always been the epitome of medical education in the country and the beacon of hope for millions. A go-to hospital for those ailing and poor; AIIMS has always been seen as a hotspot for super specialists who excel in their fields. Also, states like AP, WB, Vidharbha, Purvanchal are in desperate need of good, government-run hospitals that can aid the sick below the poverty line.

All-in-all, while the increase in the number of AIIMS is a good move, it might not be enough to cater to the entire nation's healthcare needs.



[Home](#) › [News](#) › [Union Budget 2014-15: Healthcare entrepreneurs saddened by the budget](#)

## Union Budget 2014-15: Healthcare entrepreneurs saddened by the budget

Pavitra Sampath July 10, 2014 at 4:48 pm



The Union Budget for the year 2014-15 has been released and as per the reactions we have come across, not everyone likes the Finance Minister's plans for the country. While he has raised the excise duty on cigarettes, tobacco, *gutka*, *pan masala* and colas (making them dearer to its consumers) he has also taken a step towards empowering women, sensitizing the society towards their plight and ensuring their safety. But when it comes to the health care sector, has the Fin Min really satiated the industry stalwarts? Well, here is a comparison [between their expectations](#) and what really panned out.

### What they wanted:

- One of the most striking and urgent needs, that was projected by the CEO of NephroPlus was that the Finance Minister should levy a 10-year tax holiday on all healthcare delivery companies; including those present in rural areas.
- Another item on entrepreneur's wish list was increased public private partnership in healthcare leading to a reduction in the cost of overall pathology and diagnostic testing.
- Apart from that they wished that the budget would encourage angel investors to fund start-ups (by making these investments tax free); and also allow start-ups more liberal funding from banks.
- And finally a 'Government of India Healthcare Portal', which would allow citizens to access information on any health-related issues.

### What they got:

Unfortunately the Finance Minister seems to have forgotten the healthcare sector. He not only ignored the need in India for a solid healthcare system, but has tried to do a half-hearted job of including the aspect into the budget.

According to Mr Amol Naikawadi, JMD, Indus Health Plus, 'Overall, the health market players may not be too happy since there isn't any major reform announced for the entire health industry. We were looking at promotion of local medical devices in the industry to bring the cost of healthcare industry down. But it seems like we have failed to make our government realise that it is important to address the health issues. Various lifestyle/ non communicable/ communicable disease are quickly taking toll on people and this is affecting the nation's health and productivity as well. Because of this situation, employment generation too may get affected.'

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[Home](#) > [News](#) > **Union Budget 2014-15: What the doctors and CEOs think about the budget**

## Union Budget 2014-15: What the doctors and CEOs think about the budget

Debjani Arora July 10, 2014 at 5:59 pm



The union budget this time has a lot to offer to the medical sector, but did our FM really cover all the aspects that was needed to address the issues of public health and uplift the healthcare sector in general? Here is what some doctors and experts have to say about the budget.

'The Union Budget 2014 has been a disappointment for the healthcare sector. We were looking forward to certain reforms and provision for the sector on which the finance minister did not deliver anything concrete. A few positive steps taken by the Central Government include declaration of four more AIIMS with immediate effect, 12 more government medical colleges and two new national institutes for tuberculosis. An increase in the count of national medical institutes would ensure more number of qualified doctors and dentists serving the country. The government envisions of establishing AIIMS in every state in the long run is also a good idea. Another positive announcement has been the '*Health For All*' approach that would provide free diagnostic and medication services to the needy,' said Dr Rajeev Boudhankar, Vice President, Kohinoor Hospital.

But the flipside is that like other union budget even the current one doesn't have enough provision for the National Rural Health Mission and National Urban Health Mission that have been the soul of India's healthcare system. 'Uncertainty looms over their future with government not announcing any new schemes either. Also, a 10-year tax holiday under section 80-IB for private healthcare providers was expected as it forms the backbone of India's health sector. 72 per cent of rural healthcare is carried out by private players and not gratifying them is a setback. Moreover, no decision on providing priority infrastructure status to healthcare industry that would have stimulate private investment in the, especially, for tier-II and tier-III cities,' said Dr Boudhankar.

Also, there haven't been any major reforms announced for the healthcare sector, 'Market players in the health sector might not be too happy with the budget. But the other reforms like an initiative to introduce more number of AIIMS like hospitals in the country sound promising. However this approach can only solve the crisis sectorially as the national concern for healthcare cannot be addressed with this number, says Dr Amol Naikawadi, JMD, Indus Health Plus. Further commenting on the huge demand and supply gap he said that, 'Having 12 new medical colleges in the country is an optimum step but the government should have thought for a larger number. Promotion of local medical devices in the industry is needed to bring down the cost of healthcare and tax benefit offered in general is surely going to help the disposable income earners,' he said.

So does that mean we are heading to be a healthier and fitter country soon? Probably we still have time for that, 'We have again failed to make government realize that it is important to address the health issues. Various lifestyle conditions, non communicable, communicable disease taking toll on the common people does affect the nation's health as well. Because of this situation, employment generation too can get affected,' he said.

Though correcting public health by giving attention to communicable disease would have been a big step, but even steps taken to concentrate on a fast spreading disease like TB will actually help to nail a part of the public health crisis and promise better care to the public in general. 'The much desired and timely focus on quality diagnosis and treatment of TB is a welcome step. Also, the strong focus on infrastructure is very evident with proposed setting up of state drug laboratories and four new AIIMS in this fiscal year. The proposed 'Indian Customs Single Window Project' would benefit the industry by reducing time spent in interfacing with governmental agencies and also bring down the cost of doing business,' said Mr Varun Khanna, Managing Director- BD (Becton, Dickinson and Company), India.

The budget also has something for the hospital industry to rejoice too. 'REIT's entry in the real estate space may indirectly ease the woes of hospital industry, and e-visas would be a hassle-free tool for medical value travel. While saying this, there have not been mentions of any SOPs for the healthcare industry, or under National health Assurance Mission. Government could also have promoted health insurance coverage for citizens by bringing it in the negative list for Service Tax. We still have to analyse if the healthcare spends suggested in this budget have achieved a desirable level of percentage of GDP. The healthcare industry would also have been overjoyed, if it was included in the list of Infrastructure sector, as it would have then availed several pushes designed in this budget,' said Ms. Zahabiya Khorakiwala, Managing Director, Wockhardt Hospitals Ltd.







