BioSpectrum
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

Expecting to build on PLI schemes: ENTOD Pharmaceuticals

19 January 2022 | Views

Nikkhil K Masurkar, Executive Director, ENTOD Pharmaceuticals



"The pharmaceutical and medical devices industry has gained significant momentum owing to the government's AatmaNirbhar Bharat initiative. The Union Budget 2022 is expected to build on the Production Linked Incentive (PLI) schemes

and encourage continued investments in capacity expansion of sensitive APIs, drug intermediates, complex excipients, biopharmaceuticals and medical devices. While the draft R&D policy focuses on creating an ecosystem for research and innovation, certain tax incentives for the investment in 'R&D focused funds', set up for R&D based activities, could be introduced. India should participate in the innovation area at a global level. Along with a scheme similar to the PLI, the government needs to consider tax incentives to attract innovation. Interaction with industry and global players can help India's pharmaceutical sector to move from a generic manufacturer to an innovator developer and manufacturer for the world. Apart from that, Technology/digital transformation is another key area of focus. In fact, it would be the building block for the much-expected universal healthcare in India. Presently, GST on drugs is taxed under four categories - nil, 5%, 12% and 18%. While a few life-saving drugs are taxed at nil rates, some are taxed at 5 per cent and the majority fall under the 12 per cent GST slab. Extensions of a tax deduction on product development and R&D are some of the other demands of the pharmaceutical sector. The industry also seeks a 150% deduction in tax on in-house R&D."