

# FM gives Biotech the cold shoulder

## FM Neither Doled Out Specific Benefits Nor Laid Emphasis On Technology

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### Hydraad/Bengaluru:

Though Union finance minister Arun Jaitley gave the biotechnology sector a miss yet again, the sector has its fingers crossed that the generous announcements on healthcare and agriculture will have a positive rub-off in the long run.

Terming the budget as a "predictably people's budget and hardly an innovative" one, Biocon chairman and managing director Kiran Mazumdar Shaw expressed disappointment with FM's tinkering with R&D taxation. "In R&D, the weighted average tax deduction has been reduced to 150% from 200% and from 2020 it will be cut further to 100%. This is not a step in right direction. Regarding tax on income from patents at a flat rate of 10%, it will take time before people can really benefit from that. I wish they had not tampered with R&D taxation as we are in the early days of research. So in that sense, I am a little disappointed," Shaw said.

The FM has proposed a spe-



cial patent regime with a 10% rate of tax on income from worldwide exploitation of patents developed and registered in India. However, Bharat Biotech chairman and managing director Krishna Ella felt the Modi sarkar has performed a

"balancing act" by reducing the weighted deduction for R&D expenditure on one hand and providing incentives on patents on the other to push innovation. Ella gave a thumbs up to the health insurance scheme, which proposes to provide a

health cover of up to Rs 1 lakh per family, stating that it would drive the healthcare business in the country.

Mapmygenome founder and CEO Anu Acharya too rued the fact that Jaitley neither doled out any specific benefits

for the sector nor laid emphasis on technology.

Meanwhile, Anand Kumar, deputy managing director, Indian Immunologicals Ltd (IIL) said, he was fairly disappointed as he had expected specific incentives for the sector under its 'Make in India' initiative. "The biotech sector imports a lot of materials and he could have announced some import benefits," he added.

Shivendra Bajaj, executive director, Association of Biotechnology Led Enterprises, Agriculture Group (ABLE-AG) said, "The soil health card scheme, Fasal Bima Yojana and common e-market platform will help improve the agriculture sector in the country. However it is disappointing to see no encouragement for agri-biotech research by public or private institutions."

Meanwhile, the FM also announced four new animal welfare schemes, including a National Genomic Centre for indigenous breeds, all of which will be implemented at a cost of Rs 850 crore over the next few years.