

Healthcare



September 2021

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Executive summary

2. IMPRESSIVE GROWTH PROSPECTS

- Indian healthcare sector is expected to record a three-fold rise, growing at a CAGR of 22% in 2016–2022 to reach US\$ 372 billion in 2022 from US\$ 110 billion in 2016.
- As of September 30, 2021, >89 crore COVID-19 vaccine doses have been administered across the country.

1. FOURTH-LARGEST EMPLOYER

- India climbed to the 63rd rank among 190 countries in World Banks 'Ease of Doing Business' rankings in 2020.
- In FY19, Indian healthcare sector stood as the fourth-largest employer as it employed a total of 319,780 people. The sector is expected to generate 40 million jobs in India by 2020.
- The Asian Research and Training Institute for Skill Transfer (ARTIST) announced plans to create around one million skilled healthcare providers by 2022.

3. STRONG FUNDAMENTALS AND COST ADVANTAGE

- Rising income levels, ageing population, growing health awareness and changing attitude towards preventive healthcare is expected to boost healthcare services demand in future.
- The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

4. FAVOURABLE INVESTMENT ENVIRONMENT

- Conducive policies for encouraging FDI, tax benefits, and favourable Government policies coupled with promising growth prospects have helped the industry attract private equity (PE), venture capitals (VCs) and foreign players.



Source: Business Standard, Ministry of External Affairs, Ministry of External Affairs (Investment and Technology Promotion Division), ASSOCHAM-RNCOS joint paper, Lancet study



2. ATTRACTIVE OPPORTUNITIES

- The Government of India aims to increase healthcare spending to 3% of the Gross Domestic Product (GDP) by 2022.
- Two vaccines (Bharat Biotech's Covaxin and Oxford-AstraZeneca's Covishield manufactured by Serum Institute of India) – medically safeguarding Indian population and those of 100+ countries against COVID-19.

1. STRONG DEMAND

- Rising income, greater health awareness, lifestyle diseases and increasing access to insurance will contribute to growth.
- The healthcare sector is expected to generate 2.7 million new jobs in India between 2017 and 2022—over 0.5 million new jobs per year

3. POLICY AND GOVERNMENT SUPPORT

- The Government aims to develop India as a global healthcare hub.
- Public health surveillance in India will further strengthen the health systems.
- In Union Budget 2021, the government allocated Rs. 35,000 crore (US\$ 4.80 billion) for COVID-19 vaccines in 2021-22.
- In March 2021, the Parliament passed the National Commission for Allied, Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals.

4. RISING MANPOWER

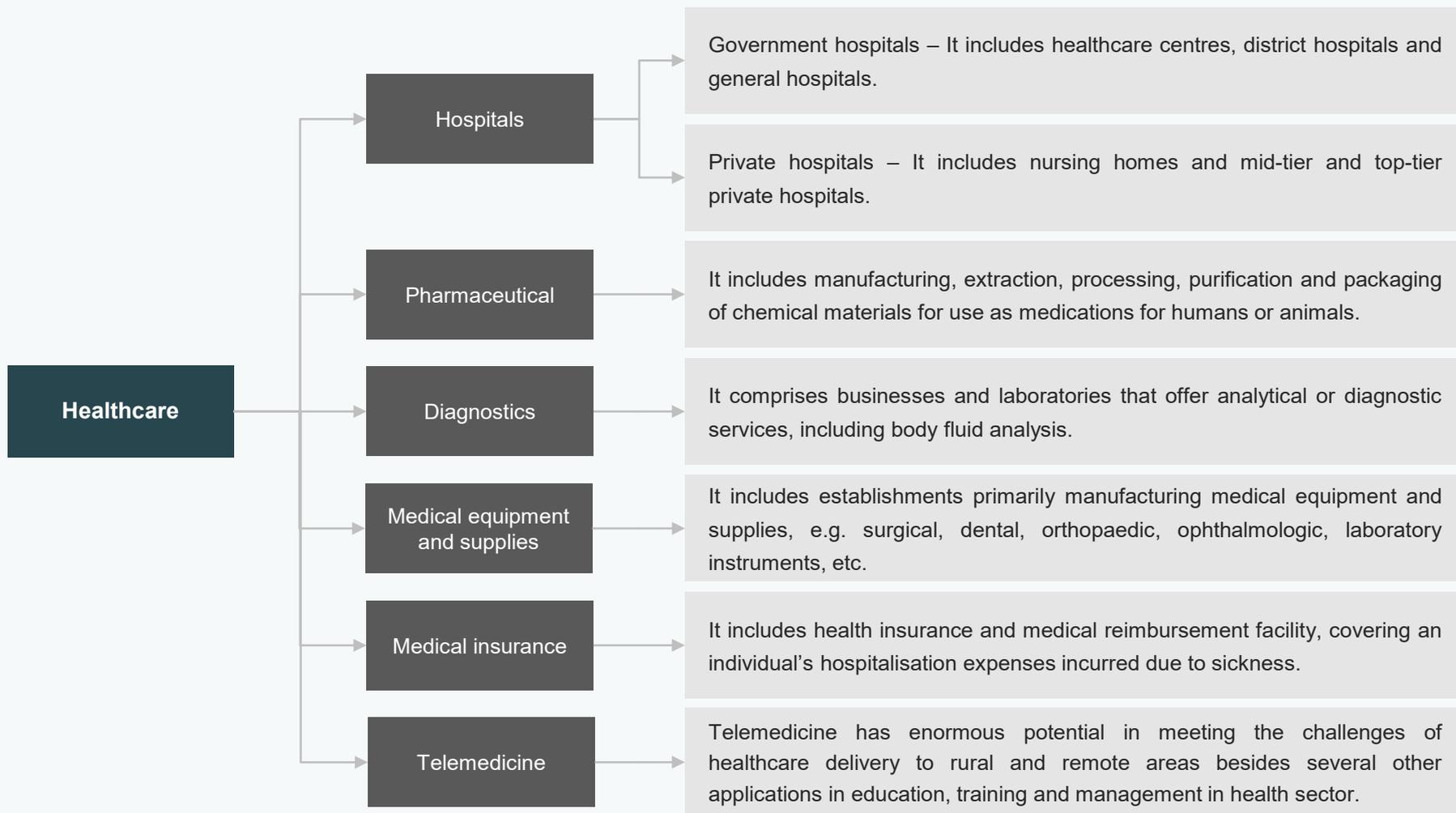
- Availability of a large pool of well-trained medical professionals in the country.
- The number of allopathic doctors with recognised medical qualifications (under the I.M.C Act) registered with state medical councils/national medical council increased to 1.27 million in July 2021, from 0.83 in 2010.



Source: KPMG, Deloitte, Hospital Market – India by Research on India, Frost and Sullivan, LSI Financial Services, 'Report on Healthcare, Telemedicine and Medical Tourism in India'- ASA and Associates LLP, Indian Journal of Public Health



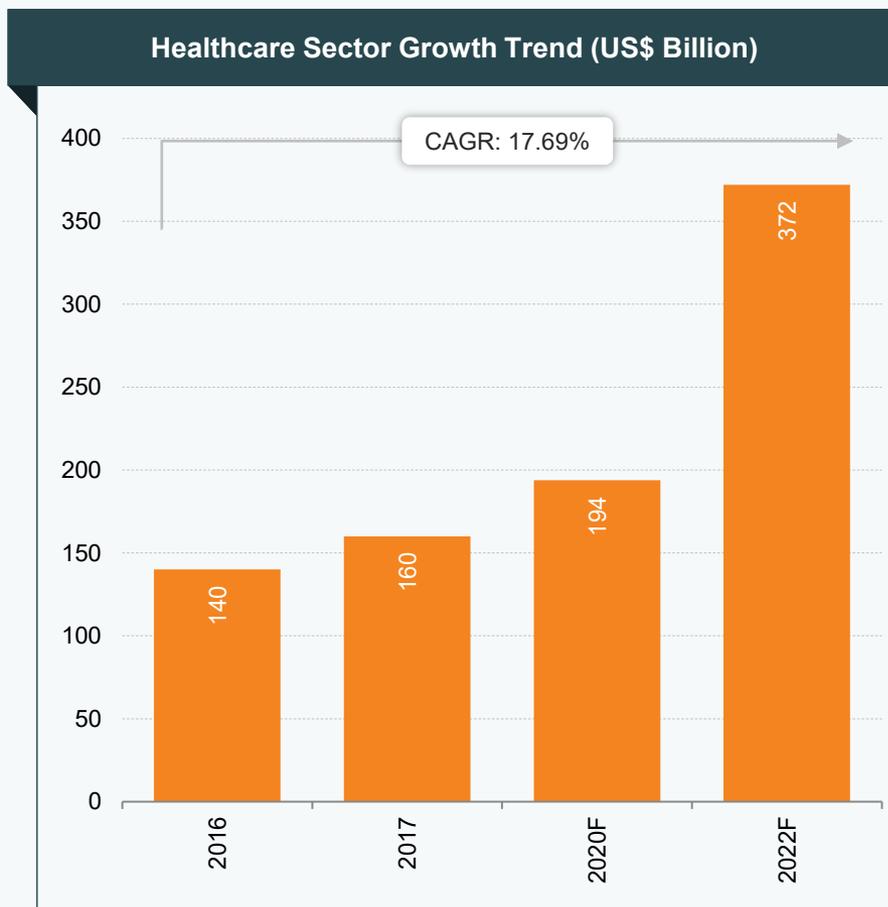
The healthcare market functions through five segments



Source: Hospital Market – India by Research on India

Strong growth in healthcare expenditure over the years

- Healthcare has become one of India's largest sector, both in terms of revenue and employment. The industry is growing at a tremendous pace owing to its strengthening coverage, service and increasing expenditure by public as well private players.
- Between 2016–22, the market is expected to record a CAGR of 17.69%.
- The total industry size is estimated to reach US\$ 193.83 billion by 2020 and US\$ 372 billion by 2022.



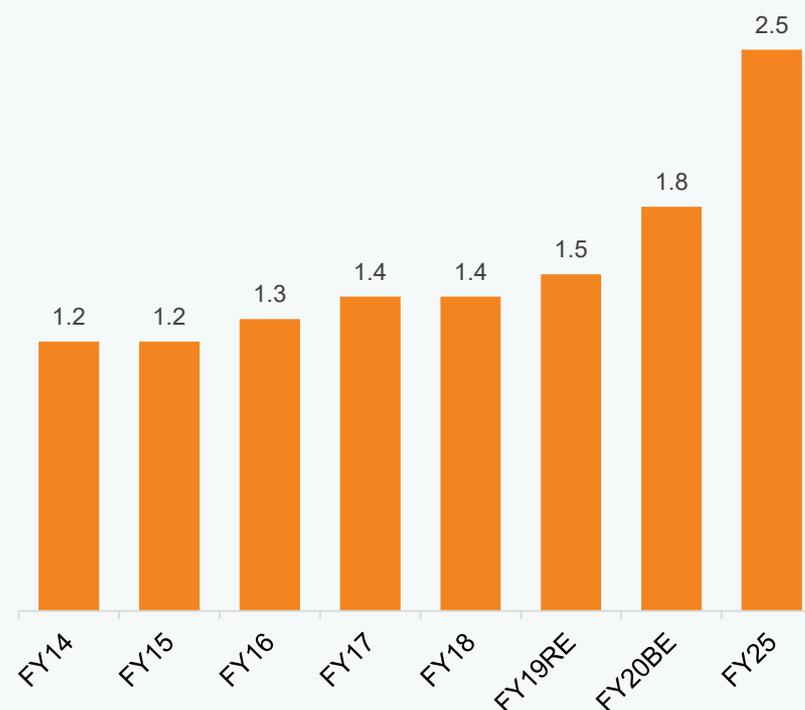
Note: F – Forecast

Source: Frost and Sullivan, LSI Financial Services, Deloitte

Per capita healthcare expenditure has risen at a fast pace

- This is due to rising income, easier access to high-quality healthcare facilities and greater awareness of personal health and hygiene.
- Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.
- Economic prosperity is driving the improvement in affordability for generic drugs in the market.
- In Budget 2021, India's public expenditure on healthcare stood at 1.2% as a percentage of the GDP.
- The Government is planning to increase public health spending to 2.5% of the country's GDP by 2025.
- The share of healthcare in GDP is expected to rise 19.7% by 2027.

Government Healthcare Expenditure as a % of GDP



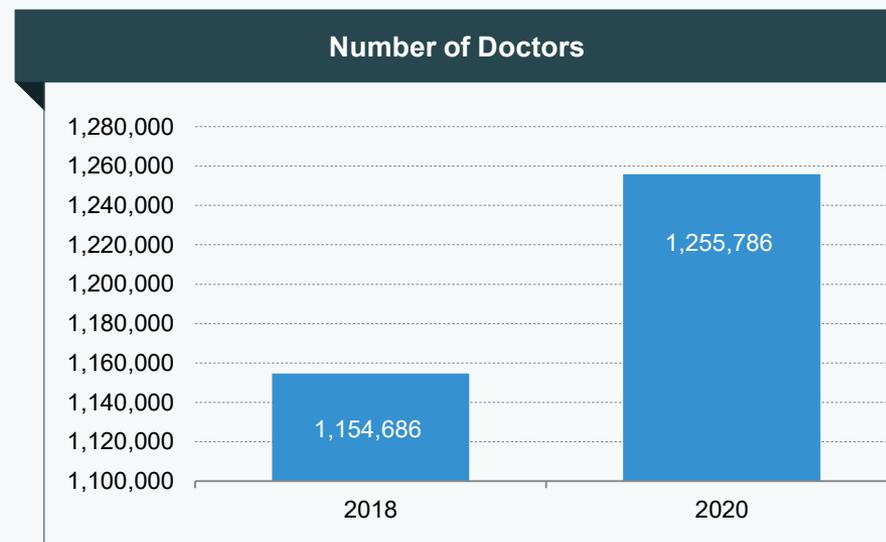
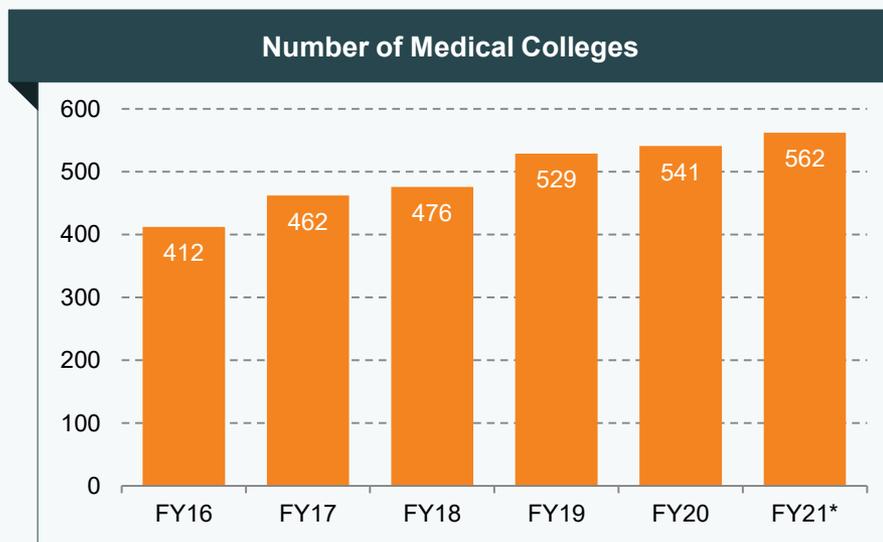
Note: BE- Budget Estimated, RE- Revised Estimate

Source: World Bank, Economic Survey FY20

Recent Trends and Strategies



Healthcare infrastructure has risen at a fast pace



- India's medical educational infrastructure has grown rapidly in the last few decades.
- In March 2021, Union Health Minister Harsh Vardhan informed the Rajya Sabha that 157 medical colleges are under various stages of implementation across India. Of this, 58 colleges are in the first phase of implementation, 24 in the second phase and 75 are in the third phase.
- As of July 2021, the number medical colleges in India stood at 558.
- The number of allopathic doctors, with recognised medical qualifications (under the I.M.C Act), registered with state medical councils/national medical council increased to 1.27 million in July 2021, from 0.83 in 2010.
- As per information provided by the Minister of State for Health, Mrs. Bharati Pravin Pawar, to the Lok Sabha, the doctor population ratio in the country is 1:854, assuming 80% availability of all registered allopathic doctors and 0.57 million AYUSH doctors.
- In September 2021, Union Minister for Road Transport & Highways Mr. Nitin Gadkari expressed that the country needs at least 600 medical colleges, 50 AIIMS-like institutions and 200 super-specialty hospitals. Also, he called for the need to replicate the infrastructure development sector's public-private partnership model in the healthcare sector.

Source: National Health Profile 2019 ; *As of February 2021

Notable trends in the Indian healthcare sector ... (1/3)

1

Shift from communicable to lifestyle diseases

- With increasing urbanisation and problems related to modern-day living in urban settings, currently, about 50% of spending on in-patient beds is for lifestyle diseases – this has increased the demand for specialised care. In India, lifestyle diseases have replaced traditional health problems.
- Most lifestyle diseases are caused by high cholesterol, high blood pressure, obesity, poor diet and alcohol.

2

Expansion to tier ii and tier iii cities

- Vaatsalya Healthcare is one of the first hospital chains to start focus on tier II and tier III for expansion.
- To encourage the private sector to establish hospitals in these cities, the Government has relaxed taxes on these hospitals for the first five years.

3

Emergence of telemedicine

- Telemedicine is a fast-emerging sector in India. Virtual care—constituting teleconsult, telepathology, teleradiology and epharmacy—is experiencing a stimulus in India. Major hospitals (Apollo, AIIMS, Narayana Hrudayalaya) have adopted telemedicine services and entered into a number of PPPs.
- According to a study (survey of consumers, doctors and stakeholders from pharma companies and global EY research) by EY, in collaboration with the Indian Pharmaceutical Alliance in September 2020, the domestic telemedicine market is expected to reach US\$ 5.5 billion by 2025.
- By September 21, 2021, the Health Ministry's eSanjeevani telemedicine service crossed 12 million teleconsultations since its launch, enabling patient-to-doctor consultations, from the confines of their homes, and doctor-to-doctor consultations.

Note: PPP is Public – Private Partnerships, Management contracts - An arrangement under which operational control of an enterprise is given to a separate entity for a fee

Source: IRDA, CII, Grant Thornton, Gartner, Technopak, News Articles

Notable trends in the Indian healthcare sector ... (2/3)

4

Rising adoption of artificial intelligence (AI)

- Rising adoption of AI-based applications has enabled people to talk directly to doctors, physician, and expertise for the best treatment.
- It is also capable of solving problems of patients, doctors, and hospitals as well as the overall healthcare industry.
- In April 2021, Tata Trusts initiative, India Health Fund (IHF) announced the onboarding of two AI start-ups—TrakItNow Technologies, an IoT and AI-based solution that is in development stage with immense potential to impact mosquito borne diseases, and Stellar Diagnostics (SDIL).

5

Introduction of vaccine delivery digital platform

- In December 2020, a new COVID-19 vaccine delivery digital platform called 'CoWIN' was prepared to deliver vaccines. As a beneficiary management tool with different modules, this user-friendly mobile app for recording vaccine data, is in the process of establishing the 'Healthcare Workers' database, which is in an advanced stage across all states/UTs.
- In July 2021, India made its Covid19 vaccination platform, CoWIN, open source for all countries. Almost 76 countries have displayed interest in leveraging the CoWIN platform to manage their national COVID-19 vaccination drives.

6

Increasing penetration of health insurance

- In FY21, gross healthcare insurance stood at 29.5% of the overall gross direct premium income by non-life insurers segment.
- Health insurance is gaining momentum in India. Gross direct premium income underwritten by health insurance companies grew 13.3% YoY in FY 2020-21 to Rs. 58,572.46 crore (US\$ 7.9 billion).
- In June 2021, the government announced that the 'Pradhan Mantri Garib Kalyan Package (PMGKP) Insurance Scheme for Health Workers Fighting COVID-19', which was launched in March 2020, has been extended for one more year. The insurance scheme provides comprehensive personal accident cover of Rs. 50 lakh (US\$ 68,189.65) to all healthcare providers, including community health workers and private health workers. It was drafted by the government for the care of COVID-19 patients and those who may have come in direct contact with COVID-19 patients and were at risk of being infected by the virus. The scheme is being implemented through New India Assurance Company (NIACL).

Notable trends in the Indian healthcare sector ... (3/3)

7

Focus on universal immunization programmes (UIP)

- As of December 2020, under universal immunization programmes, ~1.54 lakh ANMs (auxiliary nurse midwives) are operating as COVID-19 vaccinators. For further expansion of vaccinators, the government plans to take collaborative effort with states and UTs.

8

Technological initiatives

- Digital Health Knowledge Resources, Electronic Medical Record, Mobile Healthcare, Electronic Health Record, Hospital Information System, PRACTO, Technology-enabled care, telemedicine and Hospital Management Information Systems are some of the technologies gaining wide acceptance in the sector.
- In December 2020, Hahnemann Scientific Laboratory (India) Pvt. Ltd. (Haslab), in collaboration with 3EA (a management consulting group), launched India's first homeopathy healthcare mobile application to better serve patients.
- In June 2021, the Uttar Pradesh government announced to introduce automatic medicine dispensing machine to expand the primary healthcare industry and clinical centres in the country. The state health department has been nominated to design an action plan and install 'Health ATMs' walk-in medical kiosks, with combined medical devices for basic laboratory testing, emergency offerings, cardiology, neurology, pulmonary and gynaecology testing services that will be operated by a medical assistant in all 75 districts of Uttar Pradesh.
- In June 2021, AstraZeneca India signed a memorandum of understanding (MoU) with Docon Technologies, a Bengaluru-based health start-up, to digitise 1,000 clinics across India by implementing customised electronic medical record (EMR) systems in clinics to offer doctors access to a patient's complete medical history.

Source: News Articles

Covid-19 fightback from the Indian healthcare sector

Export of the COVID-19 vaccine and drugs

- In September 2021, Prime Minister Mr. Narendra Modi while speaking at the global COVID-19 summit said that India has shared its vaccine production with 95 countries and the UN peacekeepers. He also stated that India will supply COVID-19 vaccines to other countries after increased production.



COVID-19 Vaccination

- As of September 30, 2021, >89 crore COVID-19 vaccine doses have been administered across the country
- On September 17, 2021, India set a record with 2.5 crore COVID-19 jabs in one day.
- In September 2021, Biological E. Ltd. announced that it is expected to launch its vaccine against coronavirus in October 2021.
- In September 2021, Russian-made COVID-19 vaccine, Sputnik Light received permission for Phase 3 trials in India.
- In September 2021, Phase 2 trials of India's first intranasal vaccine, against COVID-19, that is being developed by Bharat Biotech in conjunction with Washington University School of Medicine in St Louis, the US, commenced At Prakhar Hospital in Kanpur.

Collaboration

- In September 2021, Biocon Biologics Limited, a subsidiary of Biocon, announced a strategic alliance with Serum Institute Life Sciences, a subsidiary of Serum Institute of India (SII). The alliance is expected to strengthen India's position as a global vaccine and biologics manufacturing powerhouse.
- In September 2021, Telangana government in a joint initiative with World Economic Forum, NITI Aayog and HealthNet Global (Apollo Hospitals) launched 'Medicine from the Sky' project. The project will pave the way for drone delivery of life saving medicines and jabs in far-flung regions of the country.
- In September 2021, a memorandum of understanding (MoU) was signed between the Pharmacopoeia Commission for Indian Medicine & Homoeopathy (PCIM&H) and American Herbal Pharmacopoeia, the US, for strengthening the quality of Ayurvedic and other Indian traditional medicine products worldwide and enhancing their export potential, especially to the US market.

*Notes: R&D - Research and Development,
Source: News Articles*

Strategies adopted

2. DIFFERENTIATION AND DIVERSIFIED BUSINESS APPROACH

- Players in the industry are trying to differentiate themselves by providing multiple health care services under one roof.
- Offering a range of healthcare and wellness services under a single brand has become a trend. Patients and healthcare services seekers find it convenient. Demand of such arrangements boosts the healthcare sector.

1. COST LEADERSHIP

- Private players in the industry are making their supply chains efficient and leveraging economies of scope to reduce cost. One such example is Narayan Hrudayalaya (NH), where health care is provided at affordable cost. NH reduces cost by high procurement of medical supplies, high-volume by high capacity utilisation and staff productivity and good human capital management (i.e. training).

3. CO-DEVELOPMENT

- Key players in the industry are focusing on start-ups for co-developing innovative healthcare solutions. In December 2020, a cohort of six health-tech start-ups, AarogyaAI, BrainSightAI, Fluid AI, InMed Prognostics, Wellthy Therapeutics and Onward Assist, have been selected by the India Edison Accelerator, fuelled by GE Healthcare. India Edison Accelerator, the company's first start-up partnership programme focused on Indian mentors, creates strategic partners to co-develop healthcare solutions.

4. MERGER & ACQUISITION (M&A)

- In June 2021, PharmEasy acquired a majority stake in Thyrocare Technologies, a diagnostics chain, to diversify and bolster its testing business.
- In May 2021, PharmEasy, an online pharmacy, announced that it has acquired Medlife to become the leading platform for healthcare delivery in India.
- In April 2021, Tata Digital infused Rs. 100 crore (US\$ 13.45 million) debt in 1mg, the online medicine start-up, and in June 2021, acquired majority stake in the company.
- In February 2021, the Competition Commission of India approved acquisition of Varian Medical Systems, Inc. by Siemens Healthineers Holding I Gmb.



Source: PE Roundup – 1H2018 & Jun'18 report by EY, News Articles



Indian healthcare sector is poised to grow

2. POLICY SUPPORT

- Encouraging policies for FDI in the private sector.
- Reduction in customs duty and other taxes on life-saving equipment.
- NRHM allocated US\$ 10 billion for healthcare facilities.
- National Health Insurance Mission to cover entire population.

3. FOCUS

- Expanding R&D and distribution facilities in India.
- Use of modern technology.
- Providing support to global projects from India.

1. GROWING DEMAND

- Rising incomes and affordability.
- Growing elderly population, changing disease patterns.
- Rise in medical tourism.
- Better awareness of wellness, preventive care and diagnosis.

4. M&A

- Rising FDI and private sector investment.
- Lucrative M&A opportunities.
- Foreign players setting R&D centres and hospitals.

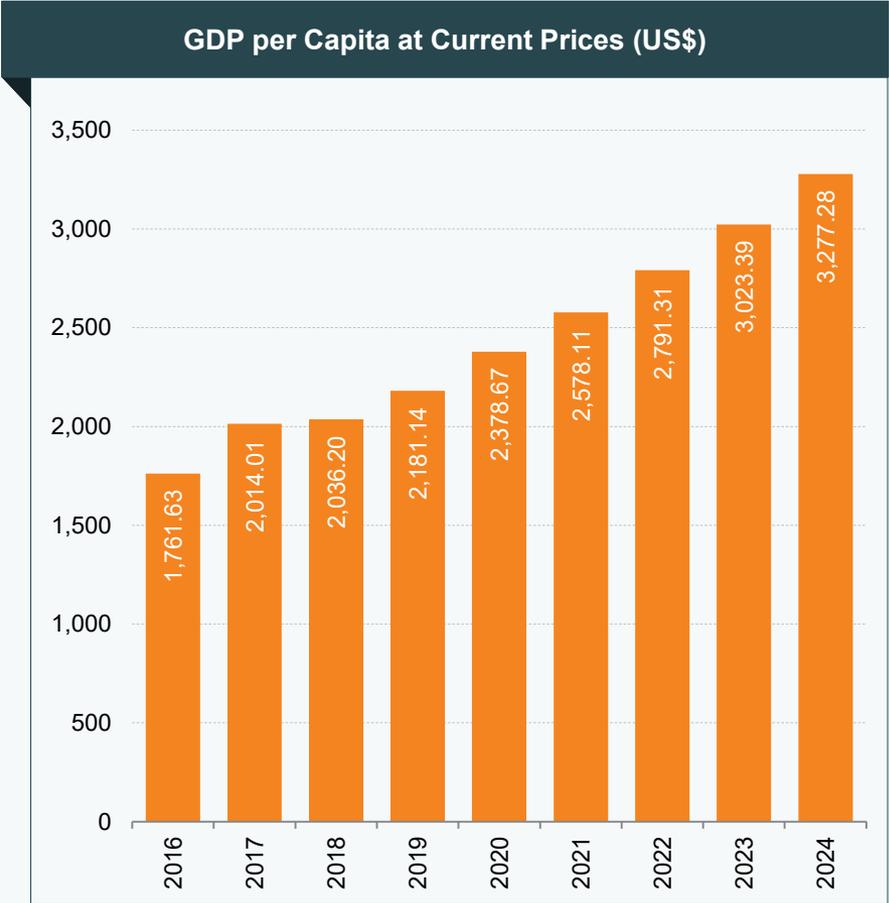


Note: FDI – Foreign Direct Investment, M&A - Mergers and Acquisitions NRHM - National Rural Health Mission

Source: Ministry of Health and Family Welfare, Government of India

Rising income, ageing population to be key healthcare demand driver

- Rising income means a steady growth in the ability to access healthcare and related services.
- Per capita GDP of India is expected to reach US\$ 3,277.28 in 2024 from US\$ 1,761.63 in 2016.
- Moreover, changing demographics will also contribute to greater healthcare spending. This is likely to continue as the size of elderly population is set to rise from the current 98.9 million to about 168 million by 2026.
- Per capita GDP at current prices for 2019–20 stood at US\$ 2,181.14.



Source: International Monetary Fund, World Economic Outlook Database, April 2018

Medical tourism: a new growth factor for India's healthcare sector

- Presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical tourism.
- Superior quality healthcare coupled with low treatment costs in comparison to other countries is benefiting Indian medical tourism, and in turn, has enhanced prospects for the Indian healthcare market.
- Treatment for major surgeries in India costs approximately 20% of that in developed countries.
- India also attracts medical tourists from developing nations due to lack of advanced medical facilities in many of these countries.
- Indian medical tourism market was valued at US\$ 2.89 billion in 2020 and is expected to reach US\$ 13.42 billion by 2026.
- Yoga, meditation, ayurveda, allopathy and other traditional methods of treatment are major service offerings that attract medical tourists from European nations and the Middle East to India.
- The Government of India liberalised its policy by providing 100% FDI in the AYUSH sector for wellness and medical tourism segment.
- By mid-2022, a new AIIMS in Rajkot covering ~201 acres of land is expected to be established at an estimated cost of Rs. 1195 crore (US\$ 162.69 million). The facility will have a 30-bed AAYUSH block, a 750-bed hospital. It will also have 125 seats for MBBS and 60 seats for nursing programme.
- With a vision to promote the Medical and Wellness Tourism in India, the Ministry of Tourism established the 'National Medical & Wellness Tourism Board' in July 2021. The board would operate as an umbrella organisation with the goal of promoting all types of medical tourism. Yoga and Ayurveda tourism would also be promoted along with any alternative form of medicine under the Indian system of medicine that is covered under AYUSH
- The Ministry of Tourism has also published a draft of the 'National Strategy and Roadmap for Medical and Wellness Tourism', which aims at providing governance and developmental framework for medical and wellness tourism.
- Addressing on the World Tourism Day on September 27, 2021, PM Mr. Narendra Modi lauded that Indian doctors are admired worldwide for their dexterity and India is taking numerous initiatives to emerge as a hub for medical tourism.

Source: Ministry of Health, RNCOS, KPMG, Deloitte, Medical Tourism Association, LSI Financial Services, Apollo Investor Presentation, News Article

Re-emergence of traditional medical care

1. Market size and services offered

- The Indian ayurvedic industry is expected to reach US\$ 9 billion by 2022.
- Ayurveda and Unani medicines consist of >90% of plant based formulations.
- The sector has broadened its offerings and now includes services on diet and nutrition, yoga, herbal medicine, humour therapy and spa.

2. Leading brands and players

- Many big players such as Apollo, VLCC and Manipal Group are setting up wellness centres across India with traditional healthcare remedies as the focus of their offerings.



3. Developing infrastructure

- In January 2021, the PM Cares fund allocated Rs. 201.58 crore (US\$ 27.55 million) for the construction of 162 additional dedicated pressure swing adsorption medical oxygen generation plants inside the country's public health facilities.
- In July 2021, the union cabinet approved continuation of the National Ayush Mission, responsible for the development of traditional medicines in India, as a centrally sponsored scheme until 2026

5. Recent Developments

- In the Union Budget 2021, the Ministry of AYUSH was allocated Rs. 2,970 crore (US\$ 407.84 million), up from Rs. 2,122 crore (US\$ 291.39 million).
- On September 03, 2021, Union Minister of State for Health and Family Welfare Dr. Bharati Pravin Pawar represented India at the BRICS ministerial conclave. The panel discussed challenges and opportunities during the implementation of Digital Health.
- In May 2021, the Andhra Pradesh government permitted the use of an herbal concoction to be developed as a traditional medicine to treat COVID-19 patients. The medicine was developed by Mr. B Anandaiah, an Ayurvedic practitioner, in Krishnapatnam village in SPS Nellore district.

4. Notable trends

- The traditional medical sector is developing Traditional Knowledge Digital Library to prevent companies from claiming patents on such remedies. There is a growing interest from numerous PE firms in the traditional healthcare sector in India.

Notes: AYUSH - Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homoeopathy, MoU – Memorandum of Understanding

Source: Ministry of Health, Make in India, RNCOS, KPMG, Ayurveda Industry Market Size, Strength and Way Forward report by Confederation of Indian Industry (CII), News Articles

1

Pradhan Mantri Jan Arogya Yojana (PMJAY)

- The government announced Rs. 64,180 crore (US\$ 8.80 billion) outlay for the healthcare sector over six years in the Union Budget 2021-22 to strengthen the existing 'National Health Mission' by developing capacities of primary, secondary and tertiary care, healthcare systems and institutions for detection and cure of new & emerging diseases.

2

Tax incentives

- All healthcare education and training services are exempted from service tax.
- Increase in tax holiday under section 80-IB for private healthcare providers in non metros for minimum of 50 bedded hospitals.
- 250% deduction for approved expenditure incurred on operating technology enables healthcare services such as tele medicine , remote radiology. Artificial heart is exempted from basic custom duty of 5%.
- Income tax exemption for 15 years for domestically manufactured medical technology products.
- The benefit of section 80-IB has been extended to new hospitals with 100 beds or more that are set up in rural areas. Such hospitals are entitled to 100% deduction on profits for 5 years.

3

Credit incentives for healthcare infrastructure

- The Indian government is planning to introduce a credit incentive programme worth Rs. 500 billion (US\$ 6.8 billion) to boost the country's healthcare infrastructure. The programme will allow firms to leverage the fund to expand hospital capacity or medical supplies with the government acting as a guarantor and strengthen COVID-19-related health infrastructure in smaller towns.

Source: News Articles

3

National Nutrition Mission

- The Union Cabinet approved setting up of National Nutrition Mission (NNM) to monitor, supervise, fix targets and guide the nutrition related interventions across ministries.
- The programme is planning to reduce the level of stunting by 2%, under-nutrition 2%, anaemia by 3% and low birth babies by 2% ever year.
- Over 100 million people are expected to be benefited by this programme – all states and districts will be covered within the programme.
- In Union Budget 2021-22, the government announced its plans to launch 'Mission Poshan 2.0' to merge 'Supplementary Nutrition Programme' with 'Poshan Abhiyan' (Nutrition Mission) in order to improve nutritional outcomes across 112 aspirational districts.

4

Liberalised Pricing & Accelerated National COVID-19 Vaccination Strategy

- The Liberalised Pricing & Accelerated National COVID-19 Vaccination Strategy was implemented on May 01, 2021. As part of the strategy, every month, 50% of the total vaccine doses that have been cleared by the Central Drugs Laboratory (CDL) will be procured by the Govt. of India (GOI), which will provide those vaccines to the State Govts. at no cost. In addition, the remaining 50% of the vaccine doses will be available for direct procurement by the State Govts. and private hospitals.

5

National Health Mission (NHS)

- The Government of India approved continuation of 'National Health Mission' with a budget of Rs. 37,130 crore (US\$ 5.10 billion) under the Union Budget 2021-22.

Source: News Articles

6

Incentives in the medical travel industry

- Incentives and tax holidays are being offered to hospitals and dispensaries providing health travel facilities. Senior citizens above 80 years of age will be allowed deduction of US\$ 491 towards medical expenditure if they are not covered under health insurance.

7

Universal health

- The Union Budget 2021 announced the launch of 'Jal Jeevan Mission' (Urban) to achieve universal health. The mission is aimed at universal supply of water to all 4,378 urban local bodies, with 2.86 crore household tap connections, and management of liquid waste in 500 AMRUT cities. It will be executed with an outlay of Rs. 2,87,000 crore (US\$ 39.41 billion) over five years.

8

Tele-medicine initiatives

- State Telemedicine Network (STN): The states and union territories have been provided support under the National Health Mission (NHM) under Program Implementation Plan (PIP) to create reliable, ubiquitous and high speed network backbone.
- In May 2021, Defence Minister Mr. Rajnath Singh launched 'Services e-Health Assistance & Tele-consultation (SeHAT)' OPD portal to provide telemedicine services to armed forces personnel and veterans.
- In March 2020, the Ministry of Health & Family Welfare launched National Teleconsultation Centre (CoNTeC).

Source: News Articles

9

Bilateral ties

- In September 2021, 4th Indo-US Health Dialogue was hosted by India. The two-day dialogue leveraged as a platform to deliberate upon multiple ongoing collaborations in the health sector between the two countries.
- In September 2021, All India Institute of Ayurveda, under the Ministry of AYUSH, signed a MoU in coordination with NICM Western Sydney University Australia to appoint an Academic Chair in Ayurveda. The new Academic Chair will undertake academic and collaborative research activities in Ayurveda, including herbal medicine and yoga, and design academic standards and short-term/medium-term courses and educational guidelines.

10

Single window system

- Drug Controller General of India (DCGI) has proposed to set up a single window system for start-ups and innovators seeking approvals, consents, and information regarding regulatory requirement.

11

Medical institutions

- Under the Union Budget 2020–21, the government allocated Rs. 4,800 crore (US\$ 647.1 million) for the establishment of new medical colleges and increasing seats in existing government medical colleges.
- In September 2021, Prime Minister Mr. Narendra Modi laid the foundation stone for four new medical colleges in the Banswara, Sirohi, Hanumangarh & Dausa districts of Rajasthan.
- In February 2021, the government approved establishment of 157 new medical colleges by upgrading hospitals in districts where there are no existing medical colleges.

Note: ^ - includes ayurveda, homeopathy and unani practitioners, along with allopathy doctors

Source: Union Budget 2020-21, News Articles

12

Union Budget 2020–21

- In the Union Budget 2021, investment in health infrastructure expanded 2.37x, or 137% YoY; the total health sector allocation for FY22 stood at Rs. 223,846 crore (US\$ 30.70 billion).
- Under the Union Budget 2021-22, the Ministry of Health and Family Welfare has been allocated Rs. 73,932 crore (US\$ 10.35 billion) and the Department of Health Research has been allocated Rs. 2,663 crore (US\$ 365.68 billion).
- The government allocated Rs. 37,130 crore (US\$ 5.10 billion) to the 'National Health Mission'.
- PM Aatmanirbhar Swasth Bharat Yojana was allocated Rs. 64,180 crore (US\$ 8.80 billion) over six years.

13

Establishment of health system capacities at airports under the Aatmanirbhar Swasth Bharat Yojana

- In Budget 2021, the government proposed enhancement of the country's potential for health systems, which included entry points for aviation. It plans to strengthen the public health units at 32 airports under the Aatmanirbhar Swasth Bharat Yojana scheme. This programme would promote smooth movement of pharmaceuticals through India and other parts of the world by air.

Note: ^ - includes ayurveda, homeopathy and unani practitioners, along with allopathy doctors

Source: Union Budget 2021–22

14

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

- In Union Budget 2020–21, Rs. 3,000 crore (US\$ 429.25 million) was allocated to the scheme.
- The Government of India approved phase III of the scheme in August 2019. Under this, 75 more new medical colleges will be established all over the country.

15

‘Vision 2035: Public Health Surveillance in India’

- To make the public health surveillance system in India more flexible and predictive to strengthen action preparedness at all levels.
- A citizen-friendly public health surveillance system, supported by a consumer feedback process, would ensure individual privacy and confidentiality.
- To improve data-sharing system for effective disease control between the Centre and states.
- India aims to provide regional and international leadership in managing events of global concern, which constitute a public health emergency.

16

Rashtriya Swasthya Bima Yojna

- In the Union Budget 2020–21, Rs. 29 crore (US\$ 3.9 million) was allocated to Rashtriya Swasthya Bima Yojna.

Source: News Articles, Press Information Bureau

17

Ayushman Bharat

- Ayushman Bharat scheme was launched to ensure universal health coverage and provide financial risk protection, assuring quality and affordable essential health services to all individuals.
- As of September 2021, >76,663 Ayushman Bharat-Health and Wellness Centres (AB-HWCs) were operationalised in India.
- In September 2021, Prime Minister Mr. Narendra Modi launched the Ayushman Bharat Digital Mission. The mission will connect the digital health solutions of hospitals across the country with each other. Under this, every citizen will now get a digital health ID and their health record will be digitally protected.
- In February 2021, Prime Minister Mr. Narendra Modi laid the foundation stones for two hospitals and launched 'Asom Mala', a programme for state highways and major district roads, in Assam. He also added that ~1.25 crore people in the state are being benefitted from Ayushman Bharat Scheme.
- As of November 2020, ~28.10 crore citizens received free treatment under the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana. The government is also planning to establish 1.5 lakh Ayushman Bharat Health and Wellness Centres by December 2022.

18

Digital India Initiative

- As of September 2021, 634 e-Hospitals were established across India as part of the central government's 'Digital India' initiative.

Source: News Articles, Press Information Bureau

19

Free Covid Vaccine For Healthcare Workers

- In the Phase 1 of COVID-19 vaccination drive, free vaccine shall be provided across the country to the prioritised beneficiaries that include 10 million healthcare and 20 million frontline workers.

20

Intensified Mission Indradhanush (IMI) 3.0

- In March 2021, various states and UTs started implementation of the 'Intensified Mission Indradhanush 3.0'—a campaign aimed to reach those children and pregnant women who were missed out or have been left out of the routine immunisation programme due to the COVID-19 pandemic. This is aimed to accelerate the full immunisation of children and pregnant women through a mission mode intervention.

21

National Digital Health Mission (NDHM)

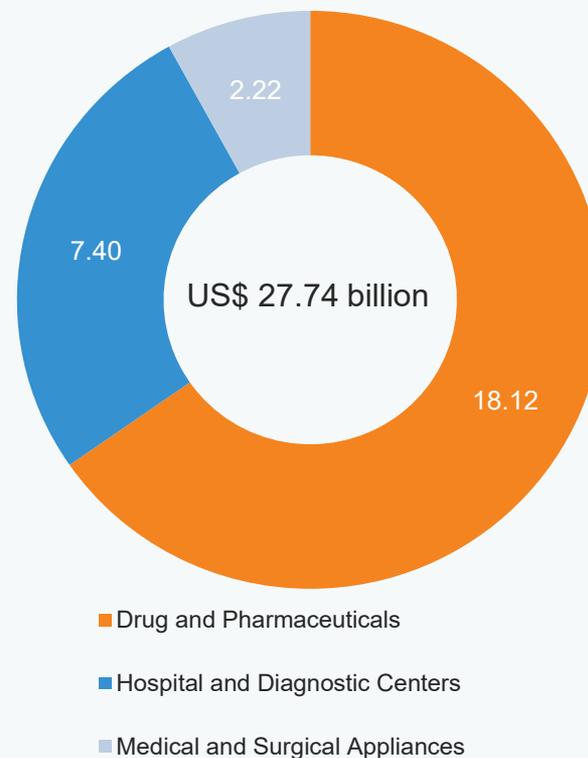
- On August 15, 2020, Prime Minister Mr. Narendra Modi launched the National Digital Health Mission (NDHM) programme, which was aimed to develop the necessary support system for integrated digital health infrastructure of the country.
- As of May 2021, 11.9 lakh Health IDs have been generated and 3,106 doctors and 1,490 facilities have registered on the platform.

Source: News Articles, Press Information Bureau

FDI inflow

- 100% FDI is allowed under the automatic route for greenfield projects.
- For brownfield project investments, up to 100% FDI is permitted under the Government route.
- Demand growth, cost advantages and policy support have been instrumental in attracting FDI.
- Between April 2000 and June 2021, FDI inflows for drugs and pharmaceuticals sector stood at US\$ 18.12 billion.
- Inflows in sectors such as hospitals and diagnostic centres and medical and surgical appliances stood at US\$ 7.40 billion and US\$ 2.22 billion, respectively, between April 2000 and June 2021.

**Cumulative FDI inflows from April 2000 to June 2021
(US\$ billion)**



Note: FDI – Foreign Direct Investment

Source: Department of Industrial Policy and Promotion

Opportunities



OPPORTUNITIES

Opportunities in healthcare

1. HEALTHCARE INFRASTRUCTURE

- Additional three million beds will be needed for India to achieve the target of 3 beds per 1,000 people by 2025. Also, India will have one doctor to every 800 patients by 2030
- Additional 1.54 million doctors and 2.4 million nurses will be required to meet the growing demand for healthcare. 58,000 job opportunities are expected to be generated in the healthcare sector by 2025.
- Over US\$ 500 billion is expected to be spent on medical infrastructure by 2030.
- Over the years, India has made strategic interventions in National Health Mission and the national disease control programmes to ensure quality and affordable healthcare for all.

2. RESEARCH

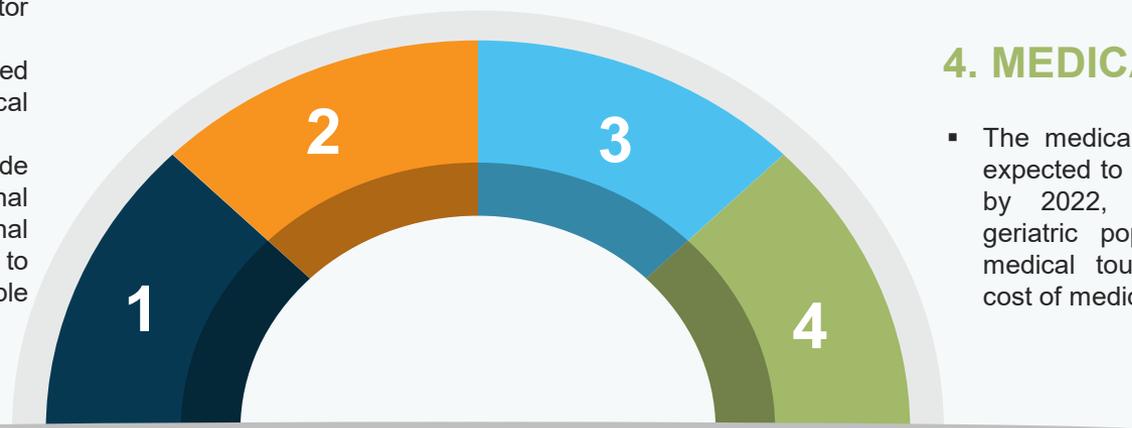
- On January 6, 2021, Dr. Harsh Vardhan, the Union Minister for Health & Family Welfare, released INDIA REPORT on Longitudinal Ageing Study of India (LASI) Wave-1; and stated that this report will be used to further improve and expand the reach of 'National Elderly Health Care' network and contribute to implementation of a spectrum of preventive and healthcare services for the elderly and vulnerable population.

3. HEALTH-TECH

- In December 2020, India Accelerator (IA) announced its plan to launch a 'Pulse' programme for emerging companies working in the health-tech sector. IA will deliver a sixteen-week long accelerator programme to a pool of 5-7 emerging start-ups operating in this sector. The aim for the initiative is to accelerate innovation and transform Indian healthcare through start-ups.

4. MEDICAL DEVICES

- The medical devices market is expected to reach US\$ 11 billion by 2022, backed by rising geriatric population, growth in medical tourism and declining cost of medical services.

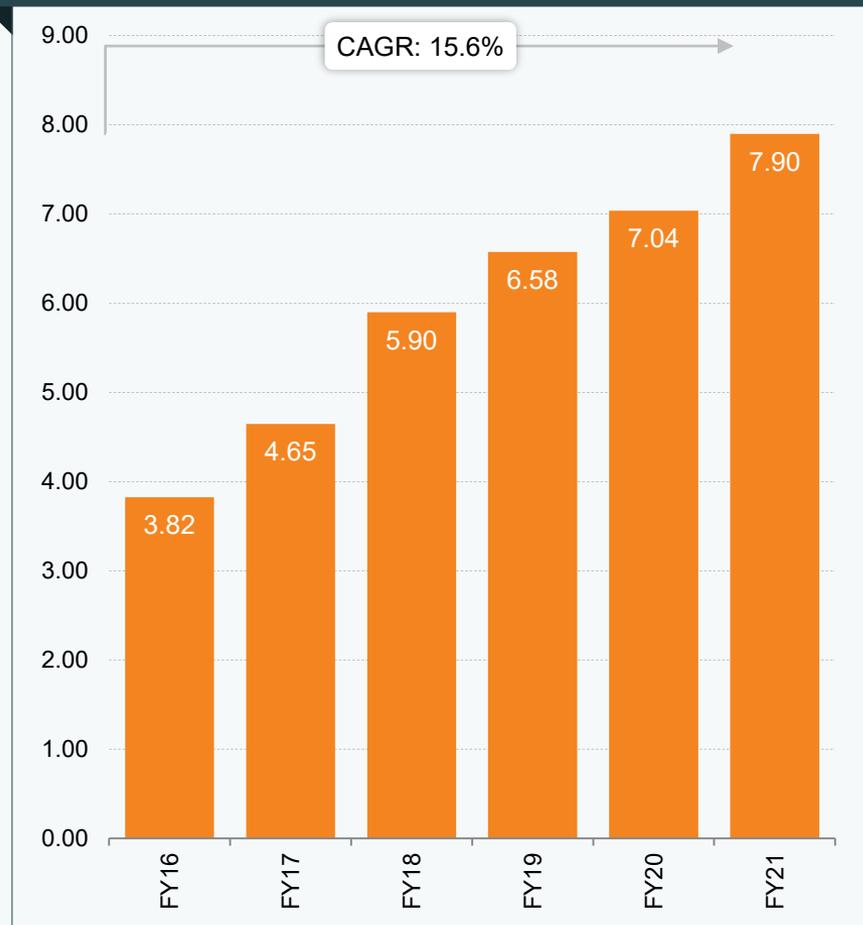


Source: News Articles

Opportunities in health insurance

- A growing middle-class, coupled with rising burden of new diseases, are boosting the demand for health insurance coverage. With increasing demand for affordable and quality healthcare, penetration of health insurance is poised to expand in the coming years.
- In FY21, gross direct premium income underwritten by health insurance companies grew 13.3% YoY to Rs. 58,572.46 crore (US\$ 7.9 billion). The health segment has a 29.5% share in the total gross written premiums earned in the country.
- In June 2021, gross written premiums of health insurance companies in the non-life insurance sector increased by 32.25% YoY (for the FY period up to August 2021) to Rs. 30,192.30 crore (US\$ 4.04 billion), driven by rising demand for health insurance products amid the COVID-19 pandemic.
- According to Economic Survey 2020-21, the health insurance industry experienced increasing insurance coverage in FY20. The number of households in Bihar, Assam and Sikkim that had health insurance increased by 89% in FY20, as compared with FY16.
- By leveraging strategic partnerships, WhatsApp plans to debut opportunities for health insurance and micro-pension products in India. WhatsApp plans to collaborate for the Sachet-Health Insurance Programme with the State Bank of India (SBI) General and plans to work with HDFC Pension to introduce the National Pension Scheme.

Health Insurance Premium Collection (US\$ Billion)



Source: GIC, News Article

Key Industry Contacts



Key industry contacts

Agency	Contact Information
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 <p>FEDERATION OF OBSTETRIC AND GYNAECOLOGICAL SOCIETIES OF INDIA FOGSI</p>	<p>The Federation of Obstetric and Gynaecological Societies of India</p> <p>Model Residency, 605, Bapurao Jagtap Marg, Jacob Circle, Mahalaxmi East, Mumbai - 400 011, India Fax: 23021383 Website: www.fogsi.org E-mail: fogsi2007@gmail.com</p>



Glossary

- CAGR: Compound Annual Growth Rate
- EPA: Externally Aided Projects
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March)
- So FY10 implies April 2009 to March 2010
- GOI: Government of India
- ICT: Information and Communications Technology
- IMF: International Monetary Fund
- Rs.: Indian Rupee
- M and A: Mergers and Acquisitions
- NHRM: National Rural Health Mission
- PPP: Public Private Partnerships
- R and D: Research and Development
- US\$: US dollar
- WHO: World Health Statistics
- Where applicable, numbers have been rounded off to the nearest whole number

Exchange rates

Exchange Rates (Fiscal Year)

Year	Rs. Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20

Exchange Rates (Calendar Year)

Year	Rs. Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021*	72.89

Note: As of September 2021

Source: Reserve Bank of India, Average for the year

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