

Streamline licensing mechanisms

Fitness industry,
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India's Ministry of Food Processing Industries has taken note of a pandemic-induced consumer shift towards preventive healthcare, significantly driving sales of immunity-boosting supplements. It has estimated India's nutraceutical — a blend of "nutrition" and "pharmaceutical" — market will grow to approximately \$18 billion by 2025. India's share in the global nutraceutical market is under 2%; the government attributes this to the absence of "defined industry classification" within the ministries. Since November 2021, a task force under the Principal Scientific Advisor has been proposing policy measures to address challenges in the sector.

The market for dietary supplements, valued at \$3,924 million in 2020, is projected to reach \$10,199 million by 2026. There are more conversations around standardisation and identifying counterfeit products; new narratives about integrating traditional systems such as Ayurveda with modern science are being endorsed as well. There are concerted efforts by the government to leverage the interest, as seen in the plans to regulate nutraceuticals to match global standards.

Licensing mechanisms

The ministry sees the proposed comprehensive regulatory framework — to be established by the Food Safety and Standards Authority of India (FSSAI) — as the game-changer which could also attract massive foreign investment. How could these regulatory mechanisms be developed towards universal coverage? Can the processes of certification, testing, and grievance redressal be streamlined and their collective accountability traced to one governing authority?

But more critically, there is a case for changing traditional approaches to product certification.

While the existing licensing mechanisms seek to ensure that the products have the right ingredients in the right amounts and that the manufacturing is done in adherence to prescribed guidelines, there are no systems to qualify the nutritional impact on the consumers and, in turn, to make the certification process more informed.

Rithvik Kumar, a research advisor in a technology research and consulting firm in Bengaluru, has been a daily consumer of protein supplements for six years. He calls the recent conversation around quality standards "hysteria". "I only look at one thing, which is the whey protein isolate, and avoid the fluff with flavours and other additives. One scoop of protein and creatine each is the protocol followed by most of the gym-goers," he says. Rithvik does not worry too much about the brand or

quality standards and points out that protein powder is "just a supplement" that helps meet macronutrient needs. "If it is a half-decent brand, it should not be a problem. It is almost impossible to attribute one's athletic performance or muscle gain in the gym to the brand or quality of the protein powder," he says.

Srinivas Rao Chinta, joint advisor at the Ministry of Ayush, contends that the licensing processes are all-encompassing. "With nutraceuticals, there is always a need to improve regulatory systems but the procedures being followed are clear; they cover all the relevant aspects," he says.

Health impacts

Globally, data and scientific evidence are increasingly influencing consumer choices — from physical appearance to nutrition to sleep and mindfulness. Industry analysts note that this shift towards a personalised, data-driven approach could find larger public acceptance in a diverse market like India only through a combination of mass awareness initiatives and regulations that ensure deterrence. Aji S, Deputy Commissioner of Food Safety, Thiruvananthapuram zone, underlines what he calls a larger issue: Irresponsible use of products, certified or otherwise, which could lead to severe long-term health impacts.

"The FSSAI can ensure that only products that follow the prescribed standards enter the market but people tend to use supplements without factoring in important parameters like body types and underlying conditions that are unique to individuals. This is where nutritionists become critical. The consumer has access to multiple choices; nutritional centres promote brands in line with their business interests but the use of these products should be backed by an in-house medical practitioner, after individual consultations with the consumer. The prescription has to be customised," he says.

Varnit Yadav, a Lucknow-based exercise and nutrition coach, notes that while consuming a supplement is an effective way to deal with a health challenge or nutritional deficiency, many products serve no purpose and are "a waste of money". Well-researched citations, papers, and meta-analyses of randomised controlled trials can help ascertain the product's efficacy. "Although the FSSAI guidelines are in place for a thorough check, duplicate brands find loopholes to sell inferior products. Third-party-tested lab reports are another way to ensure product quality at the highest level," he says.

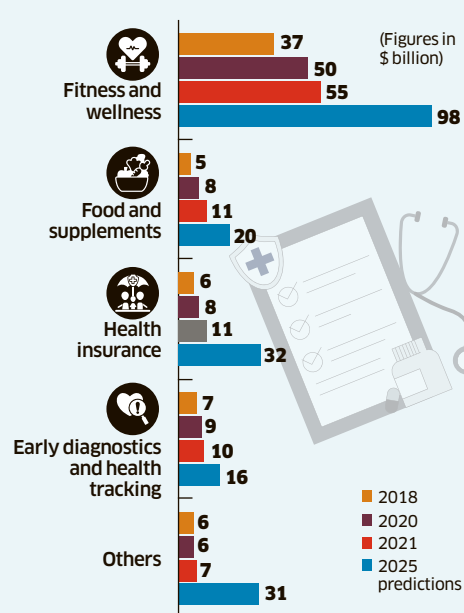
■ The revenue in the fitness market is projected to reach **\$36.92** million by 2029

■ Revenue in India's digital health market will increase by **91%** between 2024 and 2029

■ There are about **six** million active users availing fitness services in India

■ The fitness industry is growing at an annual rate of **27%**

The preventive health sector in India has been growing exponentially in recent years



Fitness equipment

● The home fitness equipment market grew from **Rs 329 crore** in FY19 to **Rs 570 crore** in FY21.

● The Indian wearable market saw a year-on-year increase of **170.3%** in Q1 2021.

Gym industry

● In 2023, the Indian gym industry generated a total revenue of **\$1.15 billion**.

● The exercise equipment market is expected to have 272 lakh users by 2029.

Supplements market

■ According to a 2023 study, nearly **70%** of protein supplements tested had inaccurate protein information.

■ Around **14%** of samples contained harmful fungal aflatoxins. And **8%** showed traces of pesticide residue.

■ **7 out of 10** Indian consumers report using a nutraceutical.

■ Only **31%** of them consume a supplement based on a doctor's prescription.

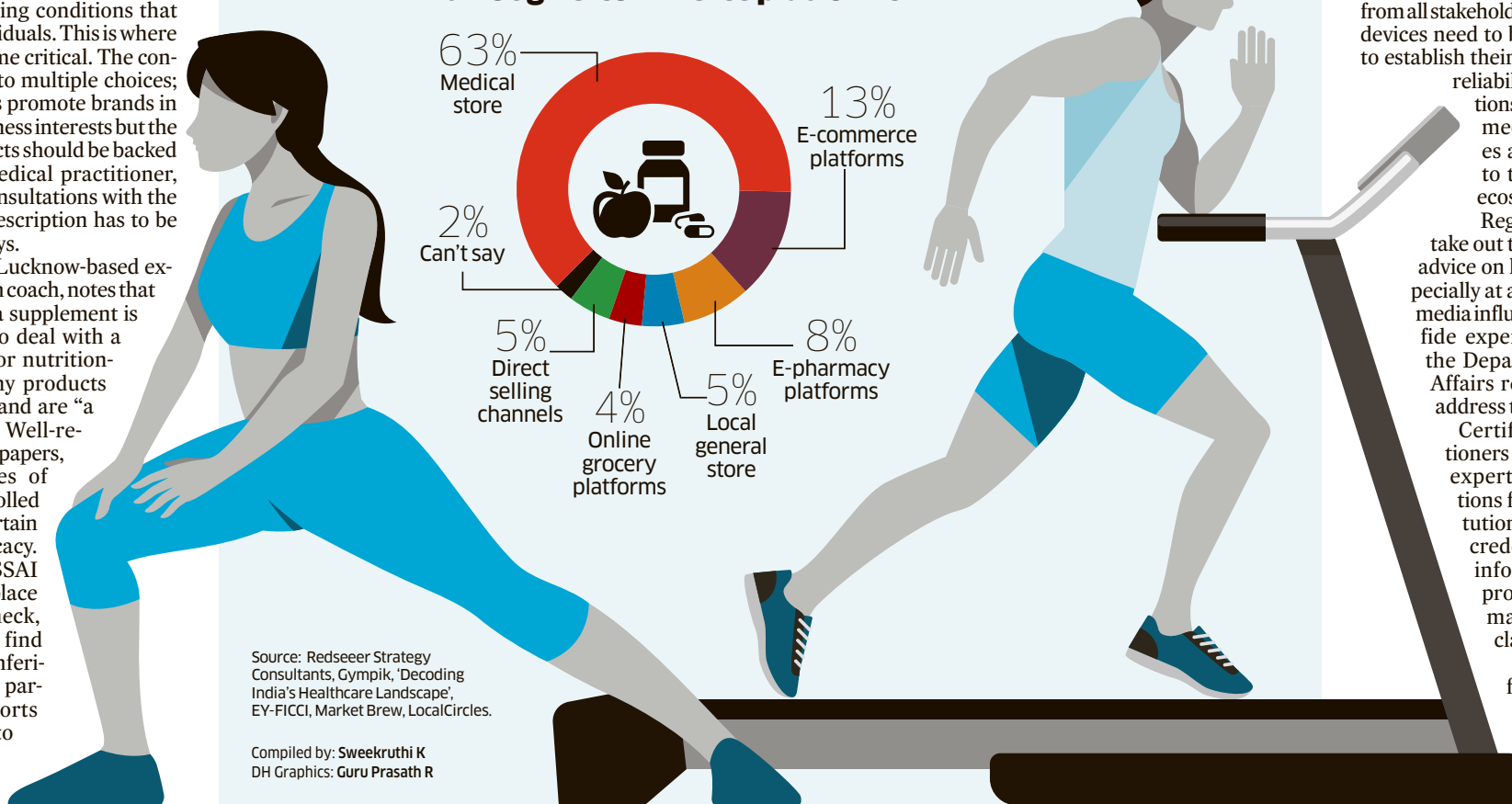
According to a survey by Gympik,

● **58%** of men join a gym for strength training to bulk up their muscles.

● **85%** of women joined aerobics and Zumba classes at the gym to lose weight.

● **35-40%** of urban gymgoers suffer musculoskeletal injuries. It is estimated that this is due to a lack of guidance and overtraining.

Around 13% of consumers buy supplements through e-commerce platforms



Source: Redseer Strategy Consultants, Gympik, 'Decoding India's Healthcare Landscape', EY-FICCI, Market Brew, LocalCircles.

Compiled by: Sweekruthi K
DH Graphics: Guru Prasad R

He emphasises professional consultation before adding supplements to diets.

It is the retailer's responsibility to ensure that in-store products adhere to prescribed standards, but in a market where sellers promise everything from perfect skin to healthy ageing, quality control becomes a touch more complicated than assigning responsibilities. Changing market behaviour is also pushing authorities to widen the scope of their action — Aji points to surveillance studies and crackdowns that are specifically targeted at counterfeit nutritional products — but these measures will need to be complemented with efforts to bring among the public sense of healthy apprehension. The question has to be: Is this good for me?

Apps, privacy and undue influence

Revenue from India's fitness apps market is projected to reach \$315.37 million this year. This is estimated to grow at

TONY D S RAJ
Dean, St John's Research Institute, Bengaluru

■ AI-driven medical devices need to be clinically validated to establish their safety, accuracy, and reliability. In terms of regulations for AI technologies in medical devices, changes are required to adapt to the ever-changing AI ecosystem.

3.69% (CAGR 2025-2029) to reach a market volume of \$364.51 million by 2029. User penetration — at 8.46% in 2025 — is projected to hit 9.24% by 2029. The technologies involve storing and processing of personal health-relevant data for further customisation. When the risk of privacy breaches is real, regulations become

non-negotiable.

A Medical Informatics team at the St John's Research Institute (SJRI), Bengaluru, in a written response to questions around the subject of privacy in biomonitoring and wearables, notes that India's regulatory landscape is "fragmented".

While the FSSAI regulates nutraceuticals and food supplements, the Central Drugs Standard Control Organisation (CDSCO) regulates medical devices — wearables that monitor ECG are categorised as medical devices and are regulated by CDSCO. However, the SJRI team notes, many fitness and wellness devices are not regulated and may not provide accurate information.

"As devices are becoming more and more innovative, the incorporation of AI in these wearable devices presents additional challenges. With the use of AI, devices are not merely counters but can perform advanced analytical functions such as personalised fitness

AJI S
Deputy Commissioner of Food Safety, Thiruvananthapuram Zone

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tracking, predictive health monitoring by analysing physiological data, biometric analysis, and real-time guidance," says Tony D S Raj, Dean, SJRI.

Varnit explains that all devices carry a range of errors, but they are reasonable enough (5-10%, and sometimes up to 20% for specific parameters) for a person to rely on them. "Not all brands create quality products, so one must keep that in mind before the purchase," he says.

The draft Digital Personal Data Protection Act takes note of concerns over large amounts of personal data collected by wearable technologies and the issue of confidentiality.

The regulations stipulate measures that companies must adhere to while collecting, storing, and processing personal data.

"The implementation of the Act will determine data privacy protection for consumers and will ensure compliance from all stakeholders. AI-driven medical devices need to be clinically validated to establish their safety, accuracy, and reliability. In terms of regulations for AI technologies in medical devices, changes are required to adapt to the ever-changing AI ecosystem," Raj says.

Regulations do not always take out the risk of unscientific advice on health and fitness, especially at a time when the social media influencers double as bona fide experts. In August 2023, the Department of Consumer Affairs released guidelines to address these concerns.

Certified medical practitioners and health and fitness experts holding certifications from recognised institutions must disclose their credentials when sharing information, promoting products or services, or making health-related claims.

Celebrities and influencers "presenting themselves as health experts or medical practitioners" are required to provide clear disclaimers.

When promoting health and wellness products or services, they are also required to clarify that their content "should not be seen as a substitute" for professional medical advice, diagnosis, or treatment.

Industry watchers maintain that the efforts towards a consolidated regulatory framework will also need to consider the harm done by influencers, to ensure that products and services based on anecdotal, unscientific evidence — often promoted for money — do not find larger consumer acceptance.

(With inputs from Udbhavi Balakrishna in Bengaluru)

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Proposed tax Bill, from Page 1

Complexities of tax systems, a global challenge

According to sources in the Finance Ministry, the drafting style of the new Bill is straightforward and clear, making the provisions easier to understand by incorporating more than 57 tables, compared to 18 tables in the existing Act.

Sub-sections and clauses have been used, instead of relying on provisos and explanations for exceptions and carve-outs. This minimises cross-references and conflict by aggregating all applicable provisions related to a single scenario in one place. All provisos (about 1,200) and explanations (about 900), which are part of the existing Act, are proposed to be removed.

"The new Bill has less jargon. The focus is on the use of simpler English, which can be understood by common people," said Anil Singh, a partner at Singh and Partners, a tax advisory law firm.

The Central Board of Direct Taxes (CBDT) has introduced an online self-help tool to assist taxpayers in understanding the proposed changes in the regulations.

Tax year

As per the existing Act, there is a concept of financial year (FY) and assessment year (AY). Assessment year is the year followed

by the financial year in which income is earned. For example, for the financial year 2024-25, the assessment year would be 2025-26. Taxpayers often get confused with these two terms, because of which many file taxes for the wrong assessment year. This leads to delays in refunds and other hassles. Under the new law, the concept of assessment year will be removed. Now, it will be called 'tax year'. It will be defined as the 12-month period of the financial year commencing on April 1.

Tax residency rules

As per the Income Tax Act 1961, a person is treated as a tax resident of India if he or she i) stays for 182 days or more in India during a financial year; ii) has stayed for 365 days or more in India in the last four years and are present in India for at least 60 days in the current financial year.

This condition of 60 days or more in the current year does not apply to a citizen of India who leaves India "for the purpose of employment outside India". The new Bill proposes to replace this expression with "for employment outside India". In the 60-days rule too, exceptions have been introduced.

Indian citizens working abroad or crew

members of Indian ships will not be subject to the 60-days rule. Non-resident Indians (NRIs) and Persons of Indian Origin (PIOs) visiting India will also be exempt from this rule, if their Indian income is below Rs 15 lakh.

However, as per the new Bill, an NRI or PIO earning over Rs 15 lakh in a year in India will be classified as Resident but Not Ordinary Resident (RNOR) if they: i) stay in India for 120 days or more in a tax year; or ii) have stayed in India for over 365 days in the past four years.

"The definitions of resident, non-resident and not ordinary resident continue to remain the same. There are only minor changes in verbiage, and we believe those are not intended to change the implications related to taxation of people employed outside India," Agrawal explained.

Data privacy

The new Bill seeks to grant tax authorities access to taxpayers' digital records, including emails, social media accounts, trading platforms and cloud storage. Under the new Bill, taxpayers on whom a search is being conducted by the tax authorities would have to provide access to their electronic records and "virtual

digital space".

The definition of virtual digital space, as per the new Bill, includes email servers, online trading and investment accounts, banking accounts, social media platforms, cloud storage and digital applications.

If a taxpayer refuses to provide access, authorities will have the power to override system restrictions and access the necessary records.

While under the present law, tax authorities seek access to taxpayers' laptops, hard disks and emails as part of investigations, it has been subject to legal challenges. The new Bill seeks to make it explicit and give tax authorities sweeping powers to access the virtual digital space of a taxpayer.

Giving power to tax authorities to override access restrictions brings up questions about how taxpayer rights will be safeguarded and raises concerns over violations of data privacy.

"The expansion in the powers of the tax authorities aims to align tax enforcement with the digitalisation of financial activities and business transactions to enable authorities to effectively address tax evasion challenges in the digital age," Nayak said.

International experience

The tax system has been complex by nature globally. Several countries have made efforts to simplify it over the years.

For example, the United Kingdom replaced its Income and Corporation Tax Act, 1988, with five separate Acts. This 'simplification' exercise undertaken in the United Kingdom during the period between 1994 and 2010 has resulted in a more segmented, but overall larger body of tax law.

Similarly, Australia underwent a similar process between 1994 and 1997, where simplification of language also resulted in a longer tax code.

According to sources in the Finance Ministry, the international level consultations for the Income Tax Bill, 2025, included consultations with the Australian Tax Office and Treasury and the UK's Office of Tax Simplification.

The experience of the UK and Australia is a case in point that mere linguistic simplification and a change in the Act will not necessarily result in simpler processes for common people. The Indian policymakers and tax authorities must strive for structural rationalisation to demystify the tax regulations and processes.

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"There is, however, a need for safeguards to balance legitimate concerns of tax authorities relating to tax evasion with protection of taxpayers' rights and potential misuse of such powers," Nayak added.