

Tax incentives for hospitals

*33. SHRIMATI VASANTHI STANLEY: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether Government has considered providing tax incentives to hospitals;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) what other steps have been taken by Government to promote the country as a health and wellness destination?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI GHULAM NABI AZAD): (a) to (c) The following direct tax incentives are currently available under the provisions of the Income Tax Act 1961 (the Act) for hospitals:

- (i) Section 10(23C) (iiia) of the Act provides full exemption in respect of any income received by any person on behalf of any other institution for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, existing solely for philanthropic purposes and not for purposes of profit, and which is wholly or substantially financed by the Government.
- (ii) Section 10 (23C) (iiia) of the Act provides full exemption in respect of any income received by any person on behalf of any hospital or other institution for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, existing solely for philanthropic purposes and not for purposes of profit, if the aggregate annual receipts of such hospital or institution do not exceed the amount of annual receipts as may be prescribed.
- (iii) Section 10(23C) (via) of the Act provides full exemption in respect of any income received by any person on behalf of any hospital or other institution for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation,

existing solely for philanthropic purposes and not for purposes of profit, other than those mentioned in sub-clause (iiia) or sub-clause (iiib) of section 10(23C) and which may be approved by the prescribed authority.

- (iv) Section 11 of the Act provides exemption in respect of income derived from property held under trust wholly for charitable or religious purposes, to the extent to which such income is applied to such purposes in India; and, where any such income is accumulated or set apart for application to such purposes in India, to the extent to which the income so accumulated or set apart is not in excess of fifteen per cent of the income from such property. It also provides exemption in respect of income in the form of voluntary contributions made with a specific direction that they shall form part of the corpus of the trust or institution. For this purpose, "charitable purpose" includes medical relief.
- (v) Section 35AD of the Act, 1961 provides investment-linked tax incentive by way of allowing hundred per cent deduction in respect of whole of any expenditure of capital nature (other than on land, goodwill and financial instrument) incurred wholly and exclusively, for the purposes of the "specified business" during the previous year in which such expenditure is incurred. The business of building and operation, anywhere in India, a hospital with at least one hundred beds for patients commencing operations on or after the 01.04.2010 is one of the specified businesses eligible for availing this investment-linked deduction.
- (d) (i) The Ministry of Tourism has issued guidelines for wellness tourism. These guidelines address various issues including *inter-alia* making available quality publicity material, training and capacity building for service providers and participation in international & domestic wellness related events. A copy of the approved guidelines is available on the Ministry of Tourism web-site www.tourism.gov.in
- (ii) A series of sensitization workshops are held across the country to sensitize the wellness centers about the importance of the accreditation mechanism and various promotional efforts of the Ministry of Tourism for wellness tourism.
- (iii) The Ministry of Tourism provides financial assistance to approved Medical Tourism Service Providers *i.e.* representatives of hospitals accredited by Joint

Commission International (JCI) and NABH and medical tourism facilitators (travel agents/tour operators) approved by Ministry of Tourism for participation in Tourism Fairs/Medical Conferences and Road Shows under the Market Development Assistance Scheme. Road shows focusing on Medical Tourism are organized in consultation with the stakeholders from time to time. In order to promote the positioning of India as a Medical destination and increase the presence of the medical fraternity in the international travel exhibitions, dedicated space is provided to the medical fraternity within the Indian Pavilion at international travel exhibitions.

Creation of additional MBBS seats in medical colleges

*34. SHRIMATI GUNDU SUDHARANI: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether it is a fact that on a recent recommendation of Medical Council of India (MCI) the Ministry has approved creation of 4,500 additional seats in MBBS course in private and Government colleges;

(b) if so, the details of colleges, in which new seats have been created and colleges where additional seats have been approved for the existing colleges, States-wise, with particular reference to Andhra Pradesh;

(c) whether PG seats are also proposed to be increased in some of the medical colleges and;

(d) if so, the details thereof?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI GHULAM NABI AZAD): (a) to (d) Consequent to recent amendments in MCI Regulations with respect to teaching faculty, maximum intake capacity, bed strength, bed occupancy and infrastructure requirements, the Board of Governors, Medical Council of India, has increased a total of 4542 MBBS seats in 21 new medical colleges & 33 existing medical colleges during the academic year 2011-12. The details of medical colleges in which MBBS seats have been created and existing colleges where additional seats have been granted, Stated-wise for the academic year 2011-12 is given in Statement-I and Statement-II (See below).