

**GOVERNMENT OF INDIA
MINISTRY OF HEALTH AND FAMILY WELFARE
DEPARTMENT OF HEALTH AND FAMILY WELFARE**

**RAJYA SABHA
STARRED QUESTION NO. 87
TO BE ANSWERED ON THE 30TH JULY, 2024**

IT EXEMPTION TO HOSPITALS

87 SHRI SANJEEV ARORA:

Will the Minister of Health and Family Welfare be pleased to state:

the details of steps which the Ministry is envisaging to make sure that the hospitals and medical colleges taking IT exemption provide most affordable health care?

**ANSWER
THE MINISTER OF HEALTH AND FAMILY WELFARE
(SHRI JAGAT PRAKASH NADDA)**

A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA
STARRED QUESTION NO. 87 * FOR 30TH JULY, 2024**

IT exemptions are admissible to hospitals subject to fulfilment of certain conditions as enumerated under various provisions of Section 10 and Section 11 of the Income Tax Act, 1961 (Details are given at **Annexure**). In case the conditions for availing exemptions under the Income Tax Act are not fulfilled, such exemptions are withdrawn as per relevant provisions of the Act and action taken under the Income Tax Act, 1961.

As per Income Tax Act, 1961, the following provisions are available for availing tax exemptions by hospitals providing healthcare services:

i. Section 10(23C)(iii ac) of the Act states that 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, and which is wholly or substantially financed by the Government shall not be included in computing total income.

ii. Section 10(23C)(iii ae) of the Act states that 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, shall not be included in total income, if the aggregate annual receipts of the person from such hospital or hospitals or institution or institutions do not exceed Rs.5 Crores.

iii. Section 10(23C)(vi a) of the Act states that 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 Section 10(23C)(iii ac) or Section 10(23C)(iii ae) and which may be approved by the Principal Commissioner or Commissioner, shall not be included in computing total income.

iv. Section 11 provides that 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 shall not be included in total income.