

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA

UNSTARRED QUESTION NO. 2089

TO BE ANSWERED ON MONDAY 2ND AUGUST, 2021 SRAVANA 11, 1943 (SAKA)

TAX EXEMPTION ON DONATIONS

2089. SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:
SHRI Y.S. AVINASH REDDY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plan of extending 100 per cent tax exemption on the donations of Non-Profitable Hospital Organisations;
- (b) if so, the details thereof;
- (c) whether the NITI Aayog has recommended for implementation of the same;
- (d) if so, the details thereof; and
- (e) the stand of the Government in this regard?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) There is no such proposal under consideration.
- (b) Does not arise.
- (c) NITI Aayog has carried out study “Not-for-Profit Hospital Model in India” during the year 2020-21. The report was released on 29th June 2021. One of the proposed policy intervention for promoting the Not for profit hospital section recommendation from this study is 100% exemption for donations (section 80G) (currently 50%).
- (d) The study was carried out between October 2020 till June 2021 covering 11 prominent not-for-profit hospital across the country. The study provides insights into the operation model of not-for-profit hospitals. It presents research-based finding on such hospitals – categorized under the ownership and premise of service-and makes subsequent comparisons with private hospitals and health schemes of the Union government.

NITI Aayog has been extensively studying the private-sector healthcare-delivery landscape in the country. While there exists adequate information on for-profit healthcare providers and institutions, there is a dearth of reliable and structured information on their not-for-profit counterparts, known for their tireless service in making quality healthcare accessible and affordable to everyone.

The not-for-profit hospital sector provides not only curative but also preventive health care. It links healthcare with social reform, community engagement, and education. It uses government resources and grants to provide cost-effective healthcare to people without being concerned about profits. However, over the years, this sector has remained understudied.

The study discusses in detail the cost-containment strategies implemented by not-for-profit hospitals. It seeks to understand the challenges that burden the operations of these institutions and hinder their growth.

The report proposes short-and long-term policy interventions—such as developing criteria to identify these hospitals, ranking them through a performance index, and promoting top hospitals for practicing philanthropy, among others. It also highlights the need to use the expertise of these hospitals in managing human resources with limited finance in remote areas.

- (e) Currently, there is no proposal under consideration to grant 100% exemption for donations to Non Profitable Hospital Organisation.
