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# IMPACT OF GST ON MEDICAL PRACTITIONERS

Sr. No.	Topics Covered	Slide No.
1.	<a href="#"><u>Introduction</u></a>	3
2.	<a href="#"><u>Relevant notification</u></a>	4
3.	<a href="#"><u>Important definitions</u></a>	5-7
4.	<a href="#"><u>Exempt services</u></a>	8
5.	<a href="#"><u>Taxable services</u></a>	9
6	<a href="#"><u>Requirement of Registration</u></a>	10
7	<a href="#"><u>Conclusion</u></a>	11



Medical practitioners commonly known as doctors, apart from providing medical services in hospitals or by running their own clinics are involved in various other kinds of services. For instance, plastic surgery, hair transplant and other cosmetic surgeries, education and training services. Besides that, they may also provide service of renting of commercial property etc. Therefore, given the fact that such medical practitioners are involved not only in medical services but also in various other kinds of services, the GST implication may vary depending upon the services that are provided by them.



The Government vide entry no. 74 of Notification No 12/2017 – Central Tax (Rate) dated 28.06.2017 exempts the supply of certain health care services from levy of GST, which reads as under,

Services by way of:

- a) Health care services by a clinical establishment, an authorised medical practitioner or para-medics;
- b) Services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above

## Health care services

Health care services means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, **but does not include hair transplant or cosmetic or plastic surgery**, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.

## Clinical establishment

Clinical establishment means a hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called, that offers services or facilities requiring diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India, or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases.

## Authorized Medical Practitioner

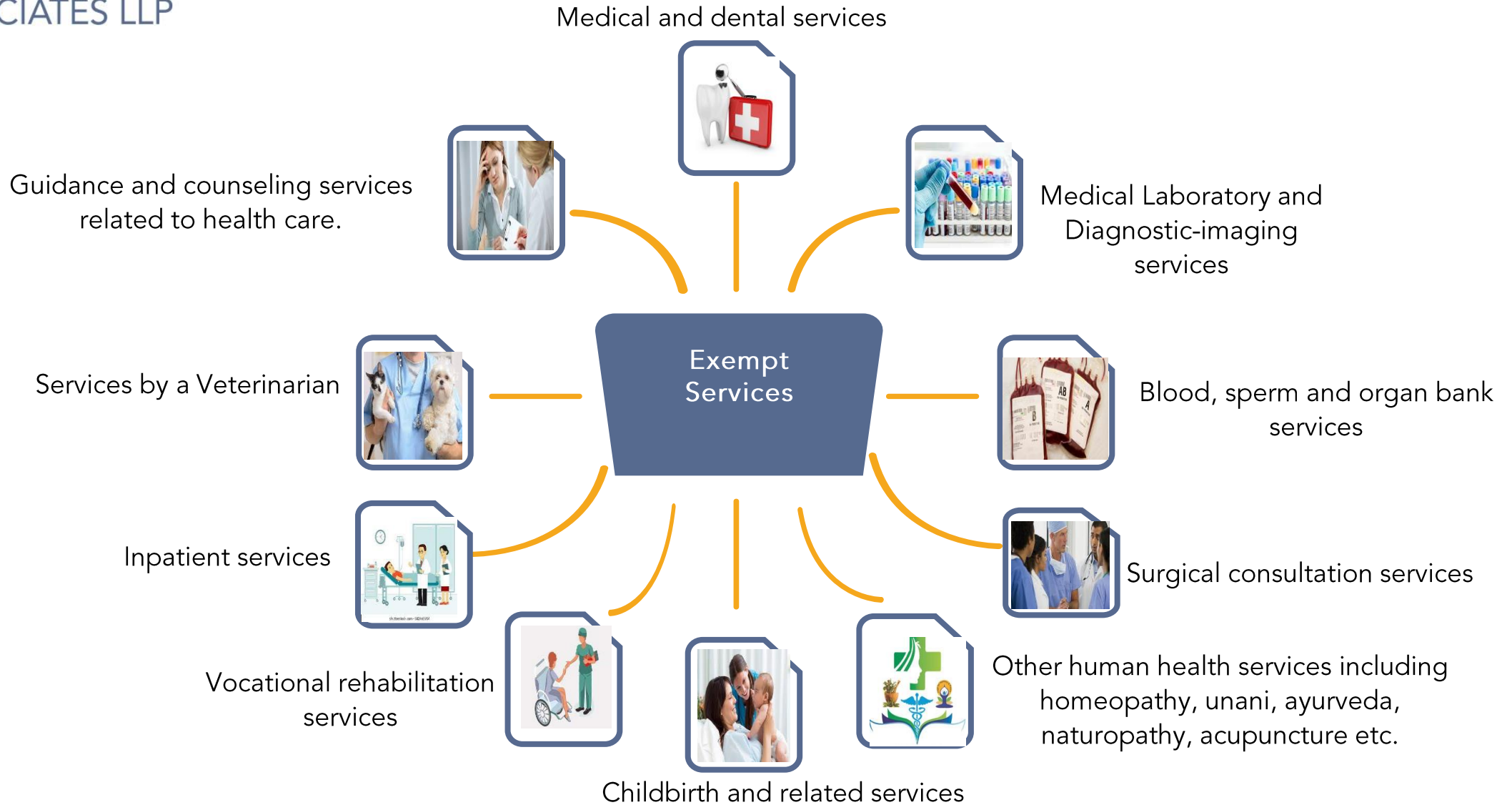
Authorised medical practitioner means a medical practitioner registered with any of the councils of the recognized system of medicines established or recognised by law in India and includes a medical professional having the requisite qualification to practice in any recognised system of medicines in India as per any law for the time being in force.

## Para-medics

These are trained health care professionals such as nursing staff, physiotherapists, technicians, lab assistants etc. They are accountable for their services when provided independently and therefore exempt. Services by them in a clinical establishment would be in the capacity of employee and not provided in independent capacity and will thus be considered as services by such clinical establishment. Similarly, services of assisting an authorized medical professional would be considered as services by such authorized medical professional only.

## Recognized system of medicine

As per section 2(h) of Clinical establishments Act, 2010, recognized system of medicine means Allopathy, Yoga, Naturopathy, Ayurveda, Homeopathy, Sidda and Unani system of medicines or any other system of medicine as recognized by the central government.







Every supplier making taxable supplies is liable for registration if his aggregate turnover in a financial year exceeds 20 lakhs. Aggregate turnover includes taxable as well as exempt supplies. Thus, if a medical practitioner is providing taxable as well as exempt supplies then he is required to take GST registration.

### For example:

- A doctor is providing health care services for Rs. 22 Lakhs and has rental income from residential property of Rs. 1 Lakh, he is not liable for registration since both the receipts are exempt.
- If same property is given on rent for commercial purpose say for opening medical shop, then the doctor would be liable to take registration under GST since his aggregate turnover exceeds Rs.20 Lakhs. Nevertheless, he would pay GST only in respect of rent from commercial property.
- If his income from health care service is Rs.14 lakhs and he receives rent of Rs. 5 lakhs from the commercial property , then he would not be liable to take GST registration.

From the above presentation it can be seen that health care services provided by medical practitioners are generally exempt from GST. However certain services like plastic and cosmetic surgeries, hair transplant, etc., are liable to GST. Similarly training and renting of commercial property by medical practitioners is also liable to GST. This presentation, we hope will bring awareness among the medical practitioners as regards their obligation to discharge GST in a proper manner.



// **THANK YOU** //