

Book Review

Name of the Book	GST on Healthcare Industry
Author	CMA Sankar Majumdar Practicing Cost Accountant Guwahati
Published by	Taxmann
Price	₹795/- (464 Pages)

Introduction

In deed an exciting time for me to review a book authored by a learned and experienced Cost Accountant, having vast experience and good command over commercial transactions in Industry. Healthcare industry is growing not only in India but world over with double digit growth. Beauty of any write-up, article or a book is to explain the topic covered, in simple and easy language to analyze pros-and-cons in the context of current socio-economic system and the way forward. In said book the author has explained the concept of Goods and Service Tax (GST) and its impact on healthcare industry vis-à-vis society at large in very systematic manner. He has talked about healthcare sector in pre-and-post GST regime.

Analysis

Author has covered all major aspects of the Healthcare Industry in India. The author has mentioned the socio-economic importance of healthcare not only in India but world-wide. By giving facts and figures, he has explained how different nations governments spend in healthcare sector and how people of the respective countries got benefited from the government initiatives. The author also talked about way forward as many sections of the society are still deprived of fundamental medical facilities. In his book, CMA Majumdar has compared medical expenses being incurred by patients in India and other developed economies and how India can be a pioneer in medical tourism. India ranks in top ten destinations of medical tourism in world. As per one estimate medical tourism in India will be \$13 billion by the end of 2026 as cost of medical treatment is almost one-tenth of other developed economies.



Most of the medical facilities under GST Laws are exempted from GST taxes but author has raised a valid question whether such facilities are exempted in real term? Though indoor medical treatment by hospitals, doctor's consultancy and clinical laboratory facilities are kept out of GST but all inputs, input services and capital items being used to render such services are taxable and the same are being recovered from patients only. No doubt in GST:02 reforms, government has taken good initiatives but these are still not sufficient to serve the society in a better way.

The author has mentioned that medical treatment exemptions under GST, seems to be a myth.

Book has also discussed about role of private sector in healthcare sector in India. As government spend less than two-percent of GDP through its numerous health schemes, participation of private and co-operative sector becomes necessary. Business model of private sector in India is no doubt of international standards having good potential for tax collections but at the same time it has exploited the common man of the country too, which needs immediate attention of policy makers. Author has quoted Hon'ble Allahabad High Court case where in, court has made a strong observation that **private hospitals treat patients as ATMs**.

The book also narrates challenges being faced by healthcare sector under GST and under socio-economic environment of India. Medical Insurance is not a favorite subject matter of majority of people in the country. Though in GST:02 reforms, government has reduced GST taxes on health insurance policies but on other side Income Tax Act in recent past has disallowed the benefits of premium being paid for Medical Insurance policies.

Spread over fourteen chapters, the book has discussed almost every aspect of economics of healthcare industry and impact of GST on each and every transaction undertaken. The book carries almost all provisions of GST which impact health sector such as taxability of the services, exempted services, clinical laboratory diagnostic services being provided, registration under GST, documents and records to be maintained, periodical returns to be filed, Input Tax Credits (ITC) available, composite supplies, taxability of pharma products, taxability of hospital canteens, room rent charged to patients, lease agreements for premises, 3rd party agreements, job works, ambulance services, attendant expenses being charged, cash less facility provided etc.

As a whole, book is an encyclopedia on impact of GST on healthcare sector. It also carries numerous case laws and verdicts pronounced by various courts in the country which provide a proper insight to the industry and other stake holders.

Critique

Although book has covered all major aspects of healthcare industry but we know that if any business


entity obtains GST number, all provisions of GST laws are applicable in-toto. So, provisions pertaining to Audits under GST, Assessment u/s 61, Notices u/s 73 & 74 for non-compliance of GST provisions, penalties u/s 122, prosecution u/s 132, e-way bills applicability on API, pharma and medical equipment trade and industry, refunds u/s 54, TDS provisions as applicable to government and public sector hospitals/institutions could have been discussed.

No doubt, India is one of the largest exporters of Bulk drugs/API but at the same time, India is big importer of medical equipment and life-saving drugs. Therefore, provisions of GST impact on import of such goods and services could also be covered.

Also under GST, many transactions such as renting of property, security services, legal services, services of a director in corporate sector, services of Goods Transport Agencies and services by various government departments are covered under Reverse Charge Mechanism (RCM) have further scope for elaboration in the book.

Conclusion

Book carries complete guidance for the entities operating in healthcare sector and gives comprehensive view for the industry. Entities covered under GST laws or newly established units or are in process of establishment, can refer this book so that they may have smooth sailing as far as GST provisions are concerned. Book is also useful for government officials working in CGST/SGST departments, Income Tax Department of Ministry of Finance, Professionals like CMAs, CAs, Advocates who deals in indirect taxes and persons in academia.

As we all know that GST is being amended on frequent basis, so readers are suggested to refer latest notifications, circulars and instructions being issued by the government from time to time while referring any book/article/write-up. 

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