



CBDT relaxes provisions of Section 269ST for Hospitals and other Medical Facilities

Amidst the ongoing COVID surge in the country, CBDT relaxed provisions of 269ST in the case of Hospitals, Dispensaries, Nursing Homes, Covid Care Centers, and similar other medical facilities providing treatment to patients. The relaxation has been provided for payments received in cash, between April 1, 2021 to May 31, 2021. In order to avail this relaxation, the institutions are required to:

- Obtain PAN or Aadhaar of the patient and the payee
- Obtain the relationship between the patient and the payee

For ready reference, Section 269ST restricts receipt of INR 2 lacs or more, by any person in cash:

- (a) in aggregate from a person in a day; or
- (b) in respect of a single transaction; or
- (c) in respect of transactions relating to one event or occasion from a person.

Penalty provisions for contravention of this section are contained in 271DA, providing for penalty equal to the amount of receipt.

Relevant text as contained in the Gazette Notification is as under:

The Central Government, in exercise of powers conferred by clause (iii) of Proviso to Section 269ST of the Income-tax Act, 1961, hereby specifies Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities providing Covid treatment to patients for the purpose of Section 269ST of the Income-tax Act, 1961 for payment received in cash during April 1, 2021 to May 31, 2021, on obtaining the PAN or Aadhaar of the patient and the payee and the relationship between the patient and the payee by such Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities.

Source: Notification No. 56 dt May 7, 2021

CONTACT DETAILS:

Head Office

75/7 Rajpur Road, Dehradun

T +91.135.2743283, 2747084, 2742026

F +91.135.2740186

E info@vkalra.com

W www.vkalra.com

Branch Office

80/28 Malviya Nagar, New Delhi

E info@vkalra.com

W www.vkalra.com

For any further assistance contact our team at

kmt@vkalra.com

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