

The Budget under a spotlight

Publication: Mid-Day , Journalist:Kartiki Nitin Lawate
Edition:Pune ,

**MONEY
MATTERS**

**The Budget under
a spotlight**

KARTIKI NITIN LAWATE

INDIA has one of the world's largest education systems, including 1.3 million schools, 30,000 colleges and 542 universities. So, what does the 2012 Budget mean for the education sector? CQ speaks to a few experts about this year's budget and its implications:

Quick sanctions

Nidigullu Srikrishna, CEO, Birla Shloka Edutech Ltd, says, "I expected sanctions of soft loans for establishment of schools to get faster. It would encourage organisations to invest in the education sector." He also felt that there should have been steps to encourage the Private-Public Partnership (PPP) model where private companies bring in efficient resource planning and execution capabilities, and the Government provides necessary funds.

Tax tales

Experts felt that the government must offer tax breaks and other incentives for organisations working in this field. Tax benefits should be given to organisations, which work in fields like R&D in curriculum design which will enable them to provide quality education at a subsidized cost. Srikrishna added, "The only advantage we had was the service tax exemption in school education, which is a positive movement."

Making it simple

Naresh Gulati, Founder & CEO,

Oceanic Consultants, says, "There should be no discrimination when the tax structure is decided. A simplified tax regime that taxes people on their income with no exemptions under most of the sections is the need of the hour. This could easily be compensated by increasing minimum threshold on the income before it is taxed."

Credible enough

Pallavi Jha, CMD, Dale Carnegie Training India, said that the Finance Minister has presented a fairly neutral but credible Budget..

She says, "The announcement of the two Credit Guarantee Funds for Education loans and improving institutional credit for skill development is highly welcome. This will give vocational skills the much wanted recognition and encourage our youth in acquiring market oriented skills which is the need of the hour," she continued.

She added that the provision of the waived deduction of 150 per cent of expenditure on skill development in the manufacturing sector will help address the shortage of skilled manpower

Finally, even though Service Tax has been increased to 12 per cent, pre-approved pre-school, schools and higher education as well as approved vocational education is exempted. Hopefully the detailed analysis will show if the extent and scope of this is adequate given that knowledge and skills are going to be the real currency of growth for our country.



COST EFFECTIVE: The current tax structure in India is highly complicated



I expected sanctions of soft loans for establishment of schools to get faster. It would encourage organisations to invest in the education sector.

NIDIGULLU SRIKRISHNA, CEO, BIRLA SHLOKA EDUTECH LTD



The announcement of the two Credit Guarantee Funds for Education loans and improving institutional credit for skill development is highly welcome.

PALLAVI JHA, CMD, DALE CARNEGIE TRAINING INDIA



A simplified tax regime that taxes people on their income with no exemptions under most of the sections is the need of the hour.

NARESH GULATI, FOUNDER & CEO, OCEANIC CONSULTANTS