

India Union Budget 2023-24

Point of view

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Education and Skill Development

Key announcements for the sector

Direct Taxes

- Only 85 per cent of the funds contributed to other charitable organisations out of current year's income shall be allowed as an application for the contributing charitable organisation
- Exit tax provision expanded to include charitable organisations who have not re-registered under new provisions by 25 November 2022 or do not apply for renewal of registration post expiry of current registrations
- No deductions for re-depositing into corpus / repayment of loans where application from such sources were made prior to 1 April 2021. Deduction shall be available provided funds are re-deposited back to the corpus / loans are repaid within five years
- Rationalisation of double registration requirements, i.e. provisional and regular registrations, where organisations have commenced their activities to permit single regular registration valid for five years
- Inaccurate furnishing of information during provisional registration shall be grounds for cancellation of registration.

Indirect Taxes

- Goods and Services Tax
 - Input tax credit is proposed to be restricted in respect of goods or services or both received and used pertaining to the Corporate Social Responsibility under section 135 of the Companies Act, 2013
 - Proposal to decriminalise following offences:
 - obstructs or prevents any officer in the discharge of his duties under Goods and Services Tax (GST) Act
 - tampers with or destroys any material evidence or documents
 - failure to supply any information which he is required to supply under GST Act or rules made thereunder or supplies false information.
 - Proposal to increase monetary threshold (from one crore to two crores) for launching prosecution for the offences under GST Act except for offences related to issuance of invoices without supply of goods or services or both
 - Proposal to amend definition of non-taxable online recipient to provide for taxability of Online Information Database Access and Retrieval services (OIDAR) service provided by any person located in non-taxable territory to an unregistered person receiving the said services in a taxable territory.
- School Education
 - Teachers' training will be re-envisioned through innovative pedagogy, curriculum transaction, continuous professional development, dipstick surveys, and Information and Communication Technology (ICT)

implementation. The District Institutes of Education and Training will be developed as vibrant institutes of excellence for this purpose

- A National Digital Library for children and adolescents will be set up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility. States will be encouraged to set up physical libraries for them at panchayat and ward levels and provide infrastructure for accessing the National Digital Library resources
- The National Book Trust, the Children's Book Trust, and other sources will be encouraged to facilitate books and other material in regional languages, and in English to these physical libraries
- In the next three years, Eklavya Model Residential Schools, the Centre will recruit 38,800 teachers and support staff for 740 schools serving 3.5 lakh tribal students
- Department of School Education and Literacy has been allocated INR68,804.85 crore, and the largest share has been allocated to Samagra Shiksha i.e INR37,453.47 for the year 2023-24.
- Higher Education
 - The Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level
 - 157 new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014
 - Facilities in select Indian Council of Medical Research (ICMR) labs will be made available for research by public and private medical college faculty and private sector research and development teams for encouraging collaborative research and innovation
 - Promotion of research and innovation in pharmaceuticals through centres of excellence
 - Dedicated multidisciplinary courses for medical devices will be supported in existing institutions to ensure availability of skilled manpower for futuristic medical technologies, high-end manufacturing and research
 - The Securities and Exchange Board of India (SEBI) will be empowered to develop, regulate, maintain and enforce norms and standards for education in the National Institute of Securities Markets and award degrees, diplomas and certificates
 - To encourage indigenous production of Lab Grown Diamonds, a research grant will be provided to one of the Indian Institutes of Technology (IITs) for five years
 - A total of 100 labs will be set up in engineering institutions with various authorities, regulators, banks and other business for developing applications using 5G services. The labs will cover, among others, applications such as smart classrooms, precision farming, intelligent transport systems and healthcare applications
 - Three Centres of Excellence for artificial intelligence (AI) will be set up in top educational institutions. Industry players will partner in conducting interdisciplinary research, develop cutting edge applications and scalable problem solutions in areas of agriculture, health, sustainable cities
 - Higher Education Department has been allocated INR44,094.62 crore for the year 2023-24. PM Uchcharat Shiksha Protsahan (PM-USP) has been allocated INR1,554 crore while INR400 crore has been allocated for PM Research Fellowship. For Digital India e-learning, the government has allocated INR420 crore and the total expenditure budget for Research and Innovation is INR210.61 crore.
- Skill Education
 - To skill youth for international opportunities, 30 Skill Indian International Centres will be set up across different states
 - The digital ecosystem for skilling will be further expanded with the launch of a unified 'Skill India Digital Platform' for enabling demand based formal skilling, linking with employers including Ministry of Small and Medium Enterprises (MSMEs) and facilitating access to entrepreneurship scheme.
 - To provide stipend support to 47 lakh youths in three years, a direct benefit transfer under a pan-India national apprenticeship promotion scheme will be rolled out

- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 4.0 will be launched to skill lakhs of youth within the next three years. On-the-job training, industry partnership and alignment of courses with needs of industry will be emphasised. The scheme will also cover new age courses for Industry 4.0 like coding, AI, robotics, mechatronics, IOT, 3D printing, drones and soft skills
- Under mission Karma Yogi, centres, states and the union territories are implementing capacity-building plans for civil servants. The government has also launched an integrated online training platform to provide continuous learning opportunities for lakhs of government employees to upgrade their skills and facilitate people centric approach
- The Ministry of Skill Development & Entrepreneurship has received a total budget of INR3,517.31 crore—up from last year's (2022-23) INR2,999 crore.

Implications for the sector

- Taxation in Education sector
 - Educational institutions with large historical spends from corpus funds and borrowings will need to evaluate application requirements for the year
 - Partial disallowance of application of income on contributions to other charitable institutions will impact organisations who make large contributions to other charitable institutions.
- School Education
 - Teachers are going to play a pivotal role in rolling out NEP and shaping the next generation. Given the changes that have happened in the sector, teacher training and development need a complete revamp. The thrust on teachers' training especially re-envisioning is both timely and important. Implementation and evaluation of this initiative would be important to gauge the impact on learning outcome of children
 - Emphasis on inculcation of reading culture among students through libraries both digital and physical through regional language as well as English books will make accessibility easier for students thus encouraging them to read
 - National Digital Library is absolutely in sync with the digital revolution that is happening in the sector. Efforts should be made to form a broadband network connecting all these libraries to ensure the benefits are fully realised
 - Given the wealth of tradition and culture in our precious tribal groups, Eklavya schools strengthening is a commendable initiative. The model should embrace any existing formats of Gurukula schools and fund them till the tribal kids are self-sustaining from a livelihood perspective.
- Higher Education
 - Sector-based research initiatives have received a fillip ranging from agriculture, healthcare, financial sector, AI, communication and jewellery. This would encourage innovation in the sectors and helps build a strong ecosystem for research and development in the higher education space
 - Very encouraging to see higher education institutions getting the attention for research grants. This marks a distinct and positive change in the approach to integrate higher education and research rather than the standalone research lab model – that has left the research environment in India fragmented. The move to allow private sector research in ICMR is in a similar direction
 - The thrust on pharma research is encouraging, though details are unclear. It is very important that we support and augment this sunrise sector for India to become the world leader across various segments in pharmaceuticals.
- Skill Education
 - International Skill Centres are a big welcome move in preparing our youth for global jobs. These centres should be networked and a digital platform for global jobs exchange should be built
 - Another very interesting initiative is the ambitious unified Skill India Digital Platform, which also includes a big boost to the National Apprenticeship Scheme through stipend for apprentices. This needs a great

amount of collaboration with state governments and local industries and will be a massive programme. Care should be taken to nurture and build it with proper participation from all stakeholders

- The launch of PMKVY 4.0 would boost the prospects for re-skilling, up-skilling and Recognition Prior Learning (RPL) requirements. A targeted approach would bring about a big difference for many emerging industries and MSMEs in India.

Overall, the budget shows the intent of this Government to be forward-looking, take the right initiatives to bring in changes and transformation. While this is very appreciable, the support for previous similar initiatives, such as the National Digital University, reforms in Higher Education Financing Agency (HEFA), National Education Policy rollout assistance etc., is not visible. It is very important that all these commendable initiatives are also supported till they fructify.

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