

A Study of Goods and Service Tax (GST) and its Impact of Education Sector in India: A Secondary Data Analysis

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“Knowledge is an eye for the blind, ears for the deaf, strength for the weak and all in all it is a boon for the mankind”. It is argued that a person who is blind is weak only in one sense but the one who is uneducated is weak by all senses.

Essence

Education is one of the major sectors of any economy. The education of country's youth decides how the economy of that country will flourish. Education promotes understanding, vision, creativity and productivity of people which helps in the advancement of a country. In India, Education is provided with both by the public as well as private sector. Indian government's foremost priority is to provide low-cost education to each and every person. That's why education sector enjoys lots of tax exemption as they are not taxed or comes in the negative list. For every benefit received, there is a cost which could be in form of tax also. Perhaps this seemed never so real than today in the Indian context. The much thoughtful leaders of India have spared the education sector all along from levy of taxes considering the importance of the same for the country. If a country wants to grow manifold than building infrastructure for education and educated infrastructure (people of the country) is a pre-requisite. The more knowledgeable the human capital of a country is more are its chances of development. While 'education' continues to be of utmost importance for the country's economic

growth, it also has been a priority for the Government in extending tax benefits and other concessions to boost education (both primary and professional or technical) in the country.

Through this research paper researcher wants to show that, the concept of GST of Indian taxation system and the impact of GST in education sector as well as students life style also.

Keywords

Tax, GST, Education, impact of GST on student life style, impact of GST on education, impact of GST on study, modernization or transformation of school, college, university or institution or course or coaching syllabus

Preamble

Whenever there is a discussion over the growth and development of a nation, the first thing taken into consideration is the strength of the education sector of that nation. The literacy of the nation plays a major role in the stability of a nation. It is the foremost sector of an economy on which the future of that particular economy is based. Similarly, the government of India has also made it a fundamental right after passing the most ambitious act in the parliament in 2009 i.e., Right of Children to Free and Compulsory Education Act. Thus, it is a duty of the country to provide quality education at an inexpensive rate. Following this duty, the GST Council tried to put the education sector away

from the GST regime similar as other services are exempted. The education related services which has been exempted from the levy of taxes, in the new GST regime are the service provided by any educational organisation to its students, faculty and staff also, which will include their transportation, catering, mid-day meals scheme sponsored by the government, services related to admission or conduct of examination, cleaning, housekeeping, security of the educational institution up to higher secondary. The notification says that services provided by pre-schools or higher secondary educational institutes, private or government, shall remain tax-free.

Services provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programs, except Executive Development Programme - “Two-year full-time residential Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT), conducted by Indian Institute of Management; Fellow program in Management; Five-year integrated program in Management”. It also includes the services provided by the National Skill Development Corporation set up by the Government of India – “a Sector Skill Council approved by the National Skill Development Corporation; an assessment agency approved by the Sector Skill Council (SSC) or the National Skill Development Corporation (NSDC); a training partner approved by the National Skill Development Corporation or the Sector Skill Council in relation to – (a) the National Skill Development Programme implemented by the National Skill Development Corporation; or (b) a Vocational Skill Development Course under the

National Skill Certification and Monetary Reward Scheme; or (c) any other Scheme implemented by the National Skill Development Corporation.” After implementation of GST, the similar situation continued with the tax exemptions for the sector being retained and the most important thing is that educational services and services related to the education or higher education provided to the students are covered under the GST exempt list. According to the GST proposed law, services provided by educational institutions have been kept outside from the Goods and Services Tax (GST). Here, educational institutions mean any of the institutions providing services by way of:-

- ❖ Pre-school education and education up to higher secondary school or equivalent; or
- ❖ Education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force; or
- ❖ Education as a part of an approved vocational education course

Objectives of the Study

The central objective of my research study is to find out the socio-economic impact of GST in developing countries like as India on common people in education sector. The objectives are –

- ✓ The main objective of the study is to focus on key issues of the Indian education through SWOT analysis.
- ✓ To know the factors influencing education.
- ✓ To know challenges facing by the Indian education.
- ✓ To bench mark the present system of Indian education with best in the category or globally.
- ✓ To evaluate and improve the education quality.

GST Referred in Kautilya Arthashastra

Goods and services tax is not only a modern and recent topic but it was also discussed long ago in the advising era of Kautilya also. According to the recent news surfacing in the newspapers and some social media pages, it is said in the example part of the Banaras Hindu University, the students were asked about eh the GST in the medieval period and to be exact in the time of Kautilya. In the paper of ‘Social and Political Thought of Ancient and Medieval India,’ there has a question which states that: “Write an essay on nature of GST in Kautilya Arthshastra”. The question itself makes some confusion in the heads of the students, but there was no one to answer this question or to explain the reason behind the inclusion of this question in the exam paper.

History of GST

GST was firstly introduced in France in 1954, with introduction of GST France became the first country ever to introduce GST. Its introduction was requiring because very high sales taxes and tariffs encourage cheating and smuggling. After France it was adopted by 165 nations. Now, India was adopted it. After its implementation in India, India will become 166th nation to adopt it. In India before 16 years, in 2000 Sh. Atal Bihari Vajpy brought this system but no one paid attention on it and due to some reasons it was not passed. In India, second time proposal for introduction of GST was made on 28th February 2006 by Sh. P. Chidambaram, the then Hon’ble Finance Minister in his Budget Speech for the year 2006-07. The Hon’ble Finance Minister, Sh. Arun Jaitley in his Budget Speech dated 28th February 2015 for the financial year (FY) 2015-16 has stated that introduction of GST is eagerly awaited by Trade and Industry and GST will put in place a state of the art indirect tax

system by 1st April, 2016. The Hon’ble President Sh. Pranab Mukherjee and Hon’ble Prime Minister Sh. Narendra Modi implemented the GST with the historic program in the Parliament House on the midnight of June 30, 2017. Goods and Services Act, 2017, since 1st July, 2017, except for Jammu and Kashmir, the entire country was implemented, and this will have a major impact on the common man and the Indian economy in the coming time.

From the view point of consumer, the biggest advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated at 25 to 30 percent. Introduction of GST would also make Indian products competitive in the domestic and inter-national markets. Studies show that this would instantly spur economic growth. Last but not the least, this tax, because of its transparent character, would be easier to administer. Introduction of GST in India would be a biggest indirect tax reform. It would probably change the tax administration and the manner of conducting business in India. Initially, it was conceptualized that there would be a national level GST however, with the release of First Discussion Paper by the Empowered Committee (EC) of the State Finance Ministers dated 10th November 2009, it was made clear that there would be a ‘Dual GST’ in India, having taxation power both by the Centre and the State to levy the taxes on the Goods and Services. On that day, the Hon’ble Finance Minister Sh. Pranab Mukherjee had clearly stated that by detailed discussion on the First discussion paper released by the Empowered Committee will help to refine the design and concept further. The 13th Finance Commission headed by Dr. Vijay Kelkar constituted the Task Force of GST on the implementation of fiscal responsibility and budget management (FRBM) Act, 2003 had pointed out

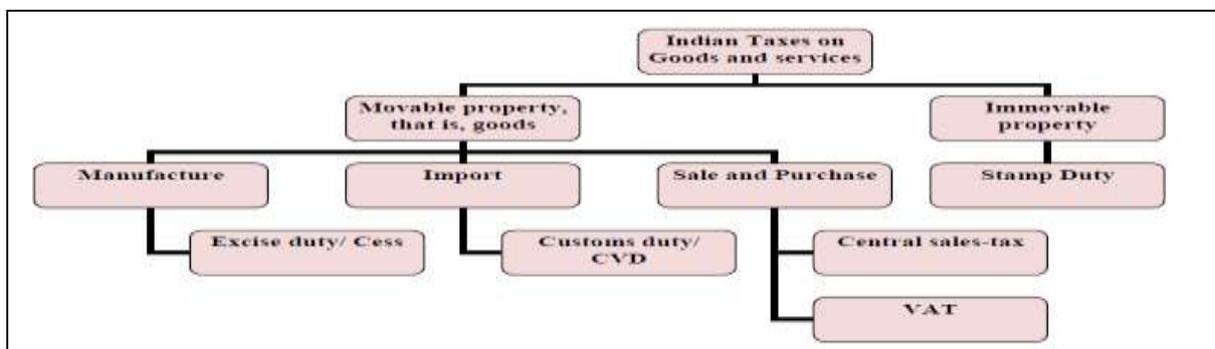
that the existing system of taxation on goods and services suffers from many problems and therefore suggested a comprehensive GST, which had released its Report after the thirty-four days on 15th December, 2009 and suggested the total GST rate of 12 to 5 percent at the Centre and 7 percent at the State levy and exemption from tax to education and health sector, public services provided by the Government and unprocessed food, however, suggested to bring the Real e-state transactions under the tax net. The Report of the Task Force had suggested the taxation of inter-state transaction from different fashion then what has been recommended in the First Discussion Paper released by the Empowered Committee of the State Finance Ministers. Thus design and structure of GST envisages in the Report of the Task Force is different from as suggested in the First Discussion Paper released by the Empowered Committee. Further, the Prime Minister’s Economic Advisory Committee (PMEAC), Chairman C. Rangarajan, as per TIO or ET dated 21st December 2009 has said, “The Centre could follow the pattern in which there is only one rate for goods and one rate for services, or one rate which is common to both goods and services”. It did, however, trigger the

debate on the structure and design of the GST. As per the report dated 22nd of July, 2010 published in various newspapers, the Central Government has proposed the GST tax rates viz., 20 percent on standard goods, lower rate of 12 percent on merit goods and 16 percent on services. However, in future it is proposed to have a single rate of 16 percent. Further as per the news items published in various newspapers in November 2014, a sub-committee comprising central and state government officials has recommended a revenue neutral rate (RNR) a rate at which there will be no revenue loss of the states after the adoption of GST of almost 27 percent under the proposed GST regime. While the State GST (SGST) component is proposed to be 13.91 percent, the central GST component is proposed at 12.77 percent. The committee has also proposed a narrow band for the SGST component.

Concept of GST

World over in almost 150 countries there is GST or VAT, which means tax on goods and services. Under the GST scheme, no distinction is made between goods and services for levying of tax. In other words, goods and services attract the same rate of tax.

Figure 1: The present Goods and Service Tax Structure



Source: Why India needs GST? Vinod Kothari

GST is a multi-tier tax where ultimate burden of tax fall on the consumer of goods or services. It is called as VAT because at every stage, tax is being paid on the value additional. Under the GST scheme, a person who was liable to pay tax on his output, whether for provision of service or sale of goods, is entitled to get input tax credit (ITC) on the tax paid on its inputs i.e. for purchase of goods or services, thus ultimately tax is being paid on the value additions, which is being paid to the Government. In a situation, where output tax exceeds the input tax, the person is entitled to refund for the difference or same may be carried forward.

GST in India: An Overview

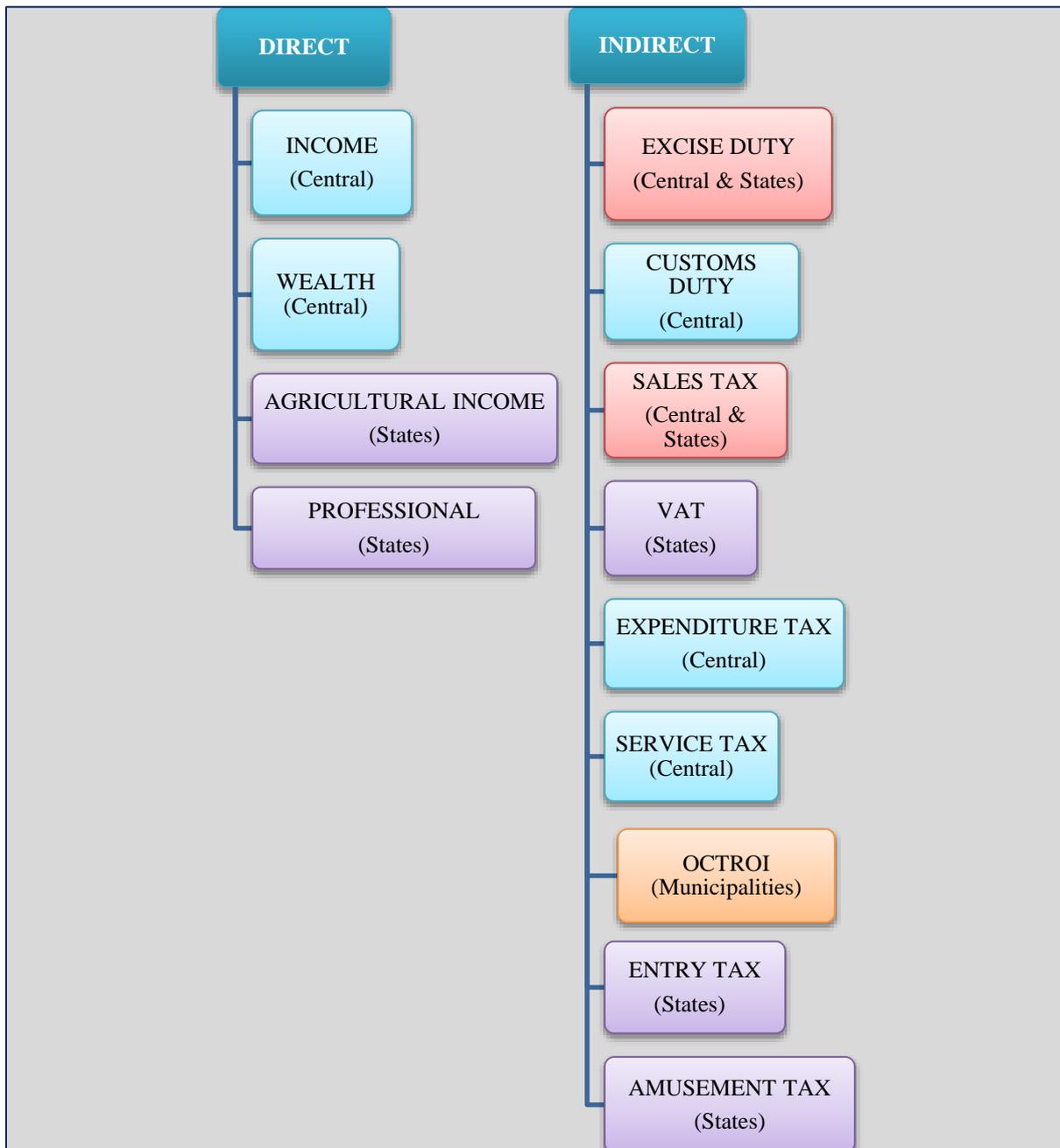
The structure of indirect taxes (IT) is driven by a multiplication of taxes some levied by the Centre and others by the States. Each of these taxes applies to a narrow base both in terms of the economic activity it covers e.g. manufacture, sale entry, entertainment etc... and the range of goods and services it applies to. While the base for many of these taxes overlaps, each is an Island in terms of flow of input credit (IC). The output tax (OT) is allowed to be adjusted against tax already paid on inputs only in a few case. For instance, for which no credit is allowed for central sales tax (CST). Then, there is a variety exemptions meant to serve multiple socio-economic objectives. As a consequence, high rate of tax are required to be imposed to generate a given amount of revenue. There is a hidden burden of taxes in the form of

cascading and double taxation and our present tax structure is complex and prone to disputes and litigation. Therefore, by implemented GST, it is expected that, our Country will overcome the deficiency of existing taxation system.

Although, introduction of VAT has been successful in India, there continue to be certain short-comings in the VAT structure both at Central and State level. For instance, CENVAT does not include many central taxes (CT) such as additional custom duty, surcharge etc... As a result, the benefit of comprehensive input tax (IT) and service tax (ST) set off is still not available to the manufacturers and dealers. Further, the value added chain in the distribution trade below manufacturing level has not yet been captured by the government in the existing CENVAT scheme. This means a loss of opportunity of revenue gain for the Centre. Similarly, at the state level VAT structure, many taxes such as luxury tax, entertainment tax etc... are not a part of VAT and do not provide set off relief. Further, the CENVAT paid on the goods remains included in the value of goods to be taxed under the State VAT which leads to a cascading effect.

Thus, the GST at the Central and State level will provide more relief to the trade, industry through a more comprehensive and wider crush of Input tax and service tax, set off relief, further removal of cascading effects and more powers of taxation to the Centre and States.

Figure 2: Pre-GST Tax Structure

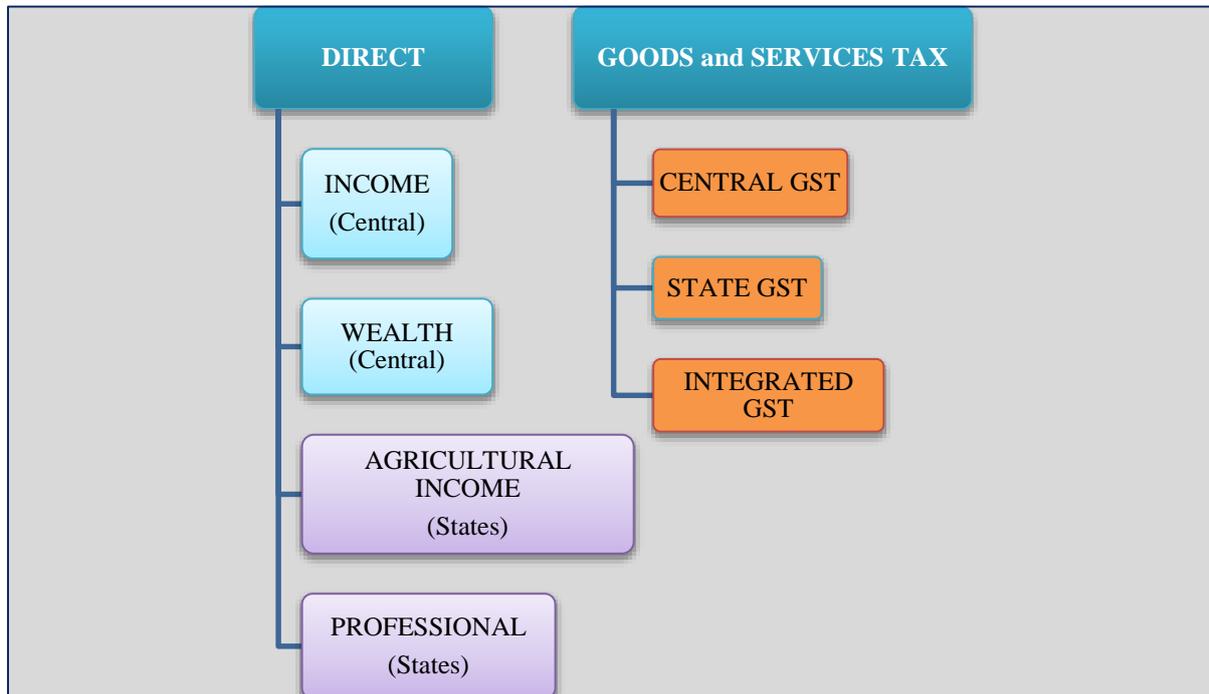


Source: Compiled by Author

The Indian GST model would be a dual GST with the Centre and States simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-state supply of goods and/or services would be called the Central Goods and Services Tax (CGST) and that to be levied by the

States would be called the State Goods and Services Tax (SGST). Similarly, Integrated Goods and Services Tax (IGST) will be levied and administered by Centre on every inter-state supply of goods and services.

Figure 3: Post-GST Tax Structure



Source: Compiled by Author

GST is a consumption based tax i.e. the tax should be received by the state in which the goods or services are consumed and not by the state in which such goods are manufactured. IGST is designed to ensure seamless flow of input tax credit from one state to another. One state has to deal only with the Centre government to settle the tax amounts and not with every other state, thus making the process easier. For better understanding about the GST I give an example, let a dealer in Delhi sold goods to the consumer in Delhi worth ` 20000. If the GST rate is 18 percent comprising of CGST rate of 9 percent and SGST rate of 9 percent, in such case the dealer collects ` 3,600 and ` 1,800 will go to the Central government and ` 1,800 will go to the Delhi government. Now, if the dealer in Delhi had sold goods to a dealer in Kolkata worth ` 2,00,000. If the IGST rate is 18 per cent comprises CGST rate of 9

percent and SGST rate of 9 percent. In such case, the dealer has to charge ` 36,000 as IGST which will go to the Centre. Central Government after retaining its share (9 percent of ` 2,00,000 = ` 18,000) will pay the balance amount i.e. ` 18,000 to the concerned state.

Research Methodology

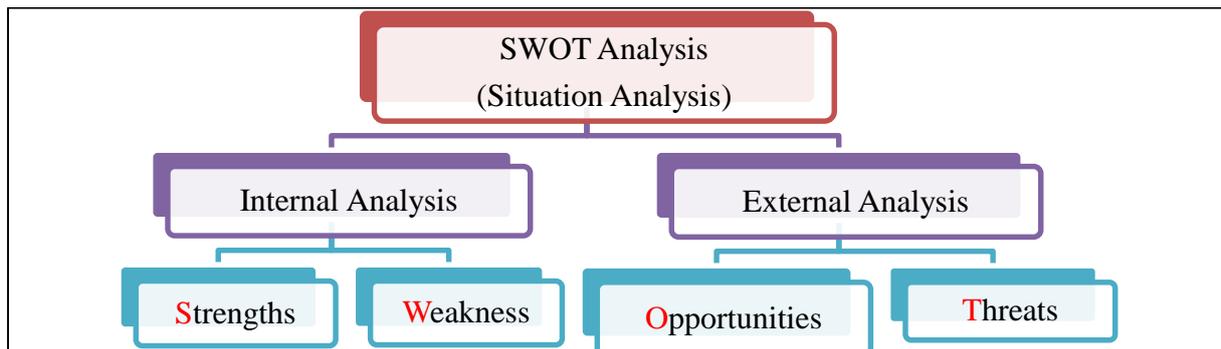
The present study is secondary in nature. I do not attempt has been made to include any statistical data in this investigation. The data used for the study has been collected from Books, Magazines, Newspapers, Research Articles or Papers, Journals, E-Journals Reports, Books, and on-line data bases. For that, I have used different government websites. On the basis of previous very few research documents on this kind of particular topic, the researcher makes here SWOT analysis.

SWOT Analysis

SWOT analysis is a simple framework for generating strategic alternatives from a situation analysis. It is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities

and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective.

Chart 1: SWOT Analysis



Source: Author

Strengths

- ✓ A significant initiative towards achieving quality was taken by UGC through the establishment of NAAC and NBA by AICTE.
- ✓ Indians have become the richest and the most skilled ethnic community in abroad by the virtue of the highest education and human resources.
- ✓ Higher education is highly subsidized and, thus it is accessible to the poorest of the poor.
- ✓ It is equity & accessibilities principle has enabled many of the economically poor to acquire higher education.
- ✓ Higher education has proved as an instrument of social change.
- ✓ It has integrated us globally by the virtue of English as a medium of instruction.
- ✓ Internationally competitive.
- ✓ Several institutions of excellence acquired Deemed Universities and Autonomy status.

- ✓ Indian universities are setting-up offshore campuses in abroad.
- ✓ Some Central Universities such as IITs, IIMs, TATA and IISC and the laboratories of CSIR are considered as Centers of excellence with global standards and are also recognized internationally.

Weaknesses

- ✓ No provision of academic audit in Universities and Colleges.
- ✓ Lack of quest for quality in majority of institutions.
- ✓ Academic heads in majority of Universities, Colleges at the faculty level are elected by majority, not selected on merit.
- ✓ Decision making in universities is highly centralized.

- ✓ Complicated office procedures and administrative staff are not professionally trained.
- ✓ Students are not involved as partners in decision-making process.
- ✓ Multiple apex agencies like UGC, AICTE, NAAC, NBA, etc... are often overlapping functions.
- ✓ Autonomy of universities and institutions has not correspondingly increased the accountability.
- ✓ Lack of equality of educational opportunities.
- ✓ Uniform fee structure, irrespective of economic status and affordability of students.
- ✓ Multiple entrance tests for similar courses burdening students.
- ✓ No student assessment/feedback.
- ✓ No campus recruitment as well as part time job likes foreign universities in higher education.
- ✓ Removal of roadblocks in opening of educational institutions as done in the sectors of trade, industry and commerce.
- ✓ Apex agencies like UGC, AICTE have to pursue the responsibility of setting up and monitoring the academic standards.
- ✓ Private Universities may be allowed to be set up and their functions must be monitored and facilitated by the govt. agencies.
- ✓ Interface to be created between university-society, university-local community and university-industry.
- ✓ Universities required to react at pace with the global changes in other sectors.
- ✓ Students are needed to be treated as clients and the Universities have to work more towards satisfaction of the changing needs and ambition of the students.
- ✓ Alumni associations are to be formed. They can be tapped for expertise and endowments.
- ✓ Latest technologies like web education, internet, video conference is to be fully utilized.
- ✓ Education to be integrated with other sectors such as health care, poverty alleviation, infrastructure development etc to make education a key element of national development activity.
- ✓ Educational liberalization along with national and state level targets can be set-up in higher education as in the areas of Agriculture, Commerce, Economy, and Industry. Such targets are available in primary education also.

Opportunities

- ✓ Autonomy to be given only after NAAC's accreditation and higher rating for it.
- ✓ UGC or AICTE assessment expert committees may be clubbed with NAAC or NBA's assessment and accreditation peer terms in the areas of similarity.
- ✓ Acts, statutes and regulations of the UGC, AICTE and the universities are in conformity with one another and follow a similar pattern.
- ✓ The percentage of NET or SLET examination results of a University may be taken as the one of the key parameters of performance of a University or Institution.
- ✓ Gains in the information technology are to be taken to advantage education sector.
- ✓ Flexibility can be allowed for students in selections of curriculum.

Threats

- ✓ Professional education to a significant extent is commercialized despite the intervention of the government.

- ✓ Majority of the students are studying traditional courses out of compulsion and lack of alternative but without an interest to pursue them earnestly.
- ✓ Art education and science streams have become endangered and hardly few takers are there for them.
- ✓ Several courses are run just for sake of survival of those departments and to sustain the jobs of teachers.
- ✓ Lack of academic audit mechanism makes it less possible to provide financial assistance on the basis of academic quality and output instead of numerical parameters.
- ✓ State government, which has larger role, has taken insufficient care of improving the quality of education.
- ✓ No earnest effort for updating the curriculum development.
- ✓ Most of the doctoral researcher do not contribute to knowledge but only create additional data.
- ✓ Quantitative expansion of higher education.

Impact of GST on Indian Education

Sector

This write up aims at to discuss the impact of newly legislated GST Act on education sector of the country. Education is a service so it attracts GST as it used to attract Service Tax as per old laws of the country. It is worth mentioning that Education was kept under 'Negative List' of the Service Tax Laws on the grounds to make it less expensive so that everybody can have easy access to it. But items like stapler, pencil, sharpener, school bag, fountain pen, nib, refill, excise book and ball pen are subject to GST where tax rates vary in between 12 percent to 18 percent. Simply

speaking, it should have been kept out of circumference of GST or it should be levied at minimum rate of tax. Coaching fee is subject to 18 percent Tax. Non-conventional courses were under the tax bracket of 15 percent in the age of erstwhile service tax but now it is subject to 18 percent tax under GST regime. However, no tax shall be levied on services provided by education institutions from pre-schools to higher secondary level. Although services provided by higher educational institutions are not taxed but services to those institutions are subject to GST. Excise books, note books, crayons etc... shall be taxed at 12 percent and pens, school bags etc shall be taxed at 18 percent. Again, services or supplies provided by third parties like academic instruments, computers, sports articles and equipments, food and accommodation provided for excursion etc are not beyond the purview of GST. It is destination based tax which implies that tax on any product shall be levied and collected by the State where it is ultimately consumed instead of where it is manufactured or produced. Under GST regime, some products shall become more expensive and some product shall be cheaper. For instance, school bag under old system was subject to 12.5 percent tax whereas under GST, it is subject to 18 percent, again ball pen and exercise book under old system were taxed @ 18.68 percent and now they are subject to 12 percent tax bracket and hence become less expensive. The GST Council constituted within the frame work of GST Act, 2017 is the decision making organ of the State with respect to imposition and deciding tax rates from time to time. Indirect Tax is a fiscal law and it is essentially dynamic in nature. Tax is the only major source of the Government Exchequer. Therefore, in due course, many amendments in GST shall come into force.

Education of a country decides how the economy of that country shall flourish. Education enhances productivity and it helps in economic advancement of a country. In India, education is delivered both by public as well as privately owned organizations. Non-conventional courses shall be expensive under GST regime. India has achieved a lot after independence but still belong to category of developing nation. Once education is made free of tax, it will attract the promoter of educational institutions and at less cost, education shall be accessible to all. It is therefore, recommended that the higher education in the line of pre-school as well as up to higher secondary level should also be exempted from GST or it should administered at nominal rate of tax if it is not possible for the Government to exempt it fully. However, it is hoped that GST implementation shall overcome the teething troubles which normally come into the way of any new system is introduced. The Government should keep in view that private promoters of education in the country shall be motivated when they are allowed more tax exemption as an incentive. It may be rational to state that Government resources are limited and it has to prioritize its allocation on the basis of necessity. Education is a necessity and not a luxury and therefore Education Sector and allied services should be made fully exempt from the purview of GST in order to make education affordable by all and less expensive.

Post GST Tax Status of Educational Services

At the display, a Service charge is not forced on instructive administrations that are in the 'Negative List'. The 'Negative List' comprises of Educational administrations that are 'a part' of the educational

programs stipulated to secure a degree or a qualification perceived by the Law, part degree courses directed by schools, colleges or organizations to accomplish a qualification endorsed by Law. It also includes the Vocational training for expertise development. However, in 2016 government has eliminated education from the negative list still some of the parts treated the same way as before. In any case, coaching or training related services that sustain instructive necessities have been ordered independently from the educational category. As services relating to the educational exercises led by training and coaching foundations don't prompt getting legitimately perceived qualifications, these would not be conceded tax relief.

Following Education related services are exempt under GST

- Curriculum related or course materials,
- Assessment and examination fees,
- Student administrative services such as registration, printing of academic transcripts, issuing or replacement of student cards, late fee payments, administration of the library etc
- Excursion and field trips related to the course of study or part of curriculum requirement, except for food and accommodation supplied on those trips
- Services provided by educational institutions to students, faculty, and staff
 - ✓ Transportation of students, faculty, and staff;
 - ✓ Catering, including any mid-day meals scheme sponsored by the Government;
 - ✓ Security or cleaning or house-keeping services performed in such educational institution;

- ✓ Services relating to admission to, or conduct of examination by, such institution; up to higher secondary
- ✓ Entrance exam fee is exempted from the GST

The Education provided by below are also exempted under GST

- National skill development corporation set up by the Indian government
- National skill development corporation approved sector skill councils
- National skill development corporation approved assessment agencies
- The national skill development programs approved by NSDC
- A vocational skill development program approved under national skill certification and monetary reward scheme
- Any scheme implemented by NSDC with training partners

Apart from the above, the educational training and coaching provided by coaching centers are not exempted under GST.

Following are not exempt from GST

- Supplies provided by third parties like the musical instrument, computers, sports equipment
- After school activities offered directly by third parties
- Food and accommodation supplied for the excursion as described above
- Uniform, stationery, and other non-academic related supplies

The school will not impose GST on the taxable supplies immediately but there might be some adjustment to the prices of school taxable supplies

in the event the cost is higher to procure those supplies.

Analyzing from the Different Concern Areas

➤ Higher Education and Private Institutions at stake

The education provided by the private school from preschool to higher secondary is exempted under GST. Apart from the exemption, one should also divert towards the fact that the education provided by the private institutions currently grabbing the nation on a fast pace will likely to get expensive up to 3percent or 5 percent after the rollout of the new goods and services tax in India. As institutions and universities are not mentioned in the exempted list, it is expected that 18 percent of GST to be levied on them. All the other cases of charity or giving poor education assistance still counted in exemption but still, the Indians considers private education most preferred and would pay an extra penny to claim it for their children. This is a matter of great concern because every individual is not able to get Government College and as an alternative they have Private Institutions. Now, private institutions financial expenditure has risen due to the new tax regime. This a very heavy burden for the middle class families who are trying to educate their children leaving no stones unturned. They are taking loans from bank, from families etc. and are in debt already. Because in the event that we take cases of other nation like GREECE for example, forced a 23 percent Value added tax (VAT) on private educational foundations in 2015. According to the economist on October 30th, 2015 that, "It looked like a double win that would simultaneously please creditors and demonstrate the government's commitment to

helping the underprivileged. Obviously, it did not one or the other". Within months, reasonably priced private schools were compelled to close down. The individuals who endured as an outcome were the people belonging to the rich as well as middle and lower-salary groups. Private schools situated in working class areas charged reasonable educational cost expenses and pulled in working class parents who were keen their children receive a decent education. The VAT likewise stressed an effectively overheated state education framework.

➤ **Training Programs**

Before getting into the impact of GST over the coaching institute, first which has to be focused is the report of Asian Development Bank (ADB) of 2012 which says that around 83 percent of Children from High School consume their time in school, extra-curricular activities, and tuitions at the coaching centers. The ADB study, 'Shadow Education: Private Supplementary Tutoring and Its Implications for Policy Makers in Asia,' estimated the sector to be growing at over 15 percent each year after excluding the small coaching centers. This shows that the coaching centers are at the mainstream for children's education and everyone from rich to lower middle-class families are approaching for these non-conventional ways of training and studying. Now, GST has raised the tax to 18 percent from 14 percent over these coaching centers. This will act as a burden for every child who pass out from 12th standard and though of coaching for IITs and other competitive examinations.

➤ **Coaching Institutes**

Coaching institutes are playing a very important role in today's competitive world. Most of the students are enrolling in the coaching institutes and want to crack the competitive exams. Previously,

the government charged 14 percent tax on all such educations and now it is increased to 18 percent which will be disappointing for the students preparing for government exams, IITs, banking, and other professional courses.

➤ **Cost of Input Supplies and Events Organised**

Another area of worry for the education and training division is the taxability of educational occasions organized out by a foreign based entity in India. Accordingly, these foreign entities organize educational training events in India which are attended by individuals, participants from business entities and overseas participants as well and would become liable to GST. While these exclusions would support the instruction part however, these training foundations would at present persevere through the GST load on certain information supplies, for example, leasing, media transmission, occasion related use, buy of products and so forth. These provisions would still be info impose taken a toll for training foundations. This area looks forward to GST exclusion in regard of the all expenditures brought about with the goal. That the input tax cost does not raise the key cost of the education resources.

GST certified courses at various

Universities

After the implementation of goods and services tax, it has become hard to understand the new indirect tax regime but there are certain universities which provide specific courses on GST. Candidates cannot even know how the working of GST but they can also find an opportunity under the new GST regime upon selecting these courses.

❖ **ICAI Course:** The ICAI have started a dedicated course for the understanding of

goods and services tax. The course will make the student acknowledge all the details and fabrics of GST. The course is certified by the organization and a certificate will be provided to the candidates upon completion of the GST course.

- ❖ **Dr. Bhimrao Ambedkar University:** The University had started the course previous year having a length of 6 months. A lot of candidates approached the university and applied for this certified GST course in which the sessions will be taken by senior college professors and tax professionals.
- ❖ **Lucknow University:** The University had offered GST certified course earlier this year but in the viewpoint of surged demand, the Lucknow University had extended the seats to 120.
- ❖ **Delhi University:** The department had earlier discussed upon the inclusion of certified GST course within the curriculum. There might be soon GST related course in Delhi University.

Mumbai added GST to B.com Syllabus

It has been 10 months of GST roll out and it is the first time when GST is added to the syllabus somewhere in the country. It is a result of a decision made at the meeting of the varsity's academic council, Mumbai. As after implementing GST the syllabus of taxation became outdated and needed updated one. In this regard, the varsity has taken a decision to add GST in the last year syllabus of B.com students. The last year batch could not take benefit from the new syllabus as the previous batch started in June. But, the new batch of June, 2018 will surely gain a lot with the addition of updated indirect tax syllabus in the course.

Recent decision over GST on School

- ✓ If the school runs summer camp or coaching classes for other students apart from the school students.
- ✓ If the school rent the school premise for marriage and other functions.
- ✓ If the doctor or hospital makes earning more than ` 20 lakh by selling unused and other instruments.

Moreover, it is also announced that the money spends on office canteen will not be eligible for ITC. Further, the company will also not get GST rebate on expenditure made for building and vehicle. E-way bill will be rendered in case of shipment with Airplane as well.

NSDC and BFSI brings GST Accounts

Assistant course

In a direction to improve better understanding of goods and services tax in the market and professional National Skill Development Corporation (NSDC) along with BFSI (Banking, Financial Services and Insurance) brought a GST Accounts Assistant course. There are multiple procedures under the goods and services tax regime which needs to be understood at the earliest, so for the purpose, this course has been presented by the authorized department of the government of India. Also said, 'GST Accounts Assistant course' has been prepared in the directorship of National Academy of Customs, Indirect Taxes and Narcotics (NACIN) with NSDC which will further provide 20 lecture both offline and online. Those people who have completed their 10+2 education with basic knowledge of accounting can do this course which will further boost their knowledge in the

field of GST and would sharpen their skills in the professional terms.

GST is in Syllabus Making Students Tensed

In consideration of operation and innovation in study courses, the Kota University has changed the syllabus of B.com and M.com final year students and added Goods and Services Tax in the study material. But the main problem is that the government is not able to provide books even after 6 months of session duration and this is making many students worried.

Although GST launched on 1st July, the government has taken months to decide GST provisions. Even tax consultants are in confusion and still, the Kota University added GST in the syllabus for B.com and M.com students. University has added taxation as the subject in the B.com final year and direct & indirect tax in the M.com final year. The same syllabus is provided for Graduates and postgraduates. Academic Council and Board of management have given consent as well. As the full content on GST is not available, so it is making the students in big hurdles.

Maharashtra includes GST chapter in Class X Textbooks

Tenth Standard students of The Maharashtra State Board of Secondary and Higher Secondary Education will now be studying about GST, the less than a year old 'One Nation One Tax' system. GST has been extensively dealt and forms an important part of the chapter on financial planning in the Part - 1 Mathematics text-book (Class X). The textbook published from the printing house of the Maharashtra State Bureau of Textbook Production and Curriculum Research, Pune is a

welcome move that must be followed by other state boards.

The chapter covers all important sections like Introduction on GST, Tax invoice, GST computation and ITC, shares, SIP, mutual funds. In addition to these topics, the sections conclude with important examples of tax calculations and slabs.

GST applicability to School-provided Food and Drinks

As per a statement made by the Finance Ministry, GST is not leviable on foods and drinks that are supplied by schools (up to higher secondary) directly to their students. However, food items supplied by school canteens and mess are taxable at 5 per cent GST rate with no input tax credit.

Colleges adding GST courses frequently

Vidyanth PG College has started a diploma course based on newly implemented indirect goods and services tax. Candidates can gain application form at the college counter; however, any fee for the form is not disclosed. The principal of the college mentioned that the candidates will be taught basic and behavioural working on goods and services tax. Professors are directed to teach the course with diligence and pay attention to each and every doubt of the students. For this, the college had also opened a total of 30 computer labs which will try to expand the knowledge of the candidates through the digital mode.

GST to be included in the ICSE

Syllabus from Next year

The Council for the Indian School Certificate Examination (CISCE) has made GST as part of the syllabus for 10th standard ICSE students. Previously, the erstwhile VAT (value-added tax)

system was part of the syllabus. But from new session onwards, the CISCE will replace it with the GST. The decision comes post the decision by other universities around the country to include GST as part of their curriculum. The move is aimed at bringing uniformity in exam pattern across the country. Reportedly, GST will be taught as a section in Mathematics. All Council schools will be updated with the new syllabus. Other changed parts of the syllabus for the new session have been uploaded on the official website. The Council has also decided that the Question Papers for the 9th and the 11th standard exams will be prepared by the Council itself.

GST Impact on Students' Lifestyle

Gadgets, clothes, grooming products and food are important part of a student's life. Here, following we discuss why and how the price of amenities will change.

- ❖ **Gadgets:** Mobile phones are likely to get costlier as the GST on phones manufactured in India has been increased. On the other hand, phones imported from foreign countries will become cheaper. To be exact, the cost will increase by 4 to 5 percent with the government imposing a goods and services tax (GST) of 12 percent, taking away the benefit under duty differential that was being offered to local manufacturers. The tax on laptops will be increased from 14 or 15 percent to 18 percent so all in all, electronic items will pinch students' pocket more than before.
- ❖ **Food:** Eating outside might become difficult now as GST of 12 percent will be levied on non-air conditioned restaurants which are most frequented by the students. Guess it's time to eat more at the hostel canteen.

- ❖ **Clothes:** One of the most exciting things about joining college is the need to not wear a uniform. The attempt to look your glamorous best but it might become a little challenging for now as the clothes which cost ` 1000 or more per piece, will attract a GST of 12 percent compared to 5 percent earlier.
- ❖ **Hostel facilities and Stationary:** Services like laundry, food in hostel mess, medicine, stationary and other services and products will now attract a GST of 18 percent, increasing the expenses considerably. Since stamps, judicial papers, printed books and newspapers come under the 0 per cent tax bracket, items of daily use by students such as school bags, colouring books and notebooks will become cheaper.
- ❖ **GST Rates for Education Sector:** All the services provided by the educational institutions, whether they are schools or colleges are exempted from GST. This is a correct step in direction of promoting education in the country where nearly half of the one billion plus population is below 25 years of age. Along with healthcare, this is the sector will has been put under the zero or minimum tax bracket. However, there is a slight twist, while the schools (from pre-school up to higher secondary school or its equivalent) do not have to pay GST in any way, higher education centers are required to pay it for services they are given by the government. By this we mean, transportation, catering, housekeeping, services relating to admission or conduct of examination to higher educational institutions will bear a GST levy. This will have to be borne by the higher educational institution. The 'output' services

which means providing education will continue to remain tax free.

❖ **GST Impact on Student Fees:** To explain it statistically, the student who paid ₹ 1 lakh in a year for a course in a top college and ₹ 3,000 as tax will have to pay ₹ 15,000 more in tax after July 1st 2017. The rate of taxation is expected to range somewhere around 12 percent to 18 percent as compared to the existing 15 percent, the exact rate is difficult to be derived since the variety of the services offered is huge. The training or coaching institutes will have to bear the taxes because the training institutes do not give a recognized qualification. The new GST on coaching institutions will be 18 percent. So, a student paying ₹ 1 lakh to a coaching centre will have to pay ₹ 1.18 lakh after GST, which is ₹ 3,000 more. The actual implications of application of GST in education sector will only be revealed later when practical application happens but one can only expect the price of education to rise a bit. This is expected to impact the number of applications by foreign students in Indian universities.

Limitation of the Study

Due to time constraint this research review study has been made on the basis of previous data i.e. secondary data. Those research gaps are huge and to be helped the future researcher when research on this topic. This study may be up-dated and redesigned by considering the latest available data. There is a lot of scope for further researches on this issue by considering other factors which I have not considered in my present study, it would have been

more. Moreover, GST council repeatedly changes the GST rates through meeting this is the biggest problem in this specific research study.

Epilogue

In the present scenario, while Cenvat Credit on all inputs or input services is not available, once the GST would be implemented, tax component will also increase by 3-5% resulting in an increase of cost of services to the end user i.e., students. In fact, undeniably, education / coaching institutions play an important role in fulfilling the objectives of various students as well as parents, thus should be zero rated and be exempted from Goods and Services Tax to lessen the financial burden on parents as well as students. Doing so will not only help improve the quality of education, students and life but also facilitate India to leap frog in the trajectory of top economic powers of the world as India is poised to be so by 2030, given its demographic strength. In general there are many quality gaps in framing policies and executing them through national level educational bodies, are identified in the analysis of the quality of Indian higher education. The quality of higher education should encompass four components therefore four E's are

- ✓ Existence of infrastructure, human and learning resources.
- ✓ Extent of use.
- ✓ Effectiveness of the management process and
- ✓ Effect of the inputs

The Government did not have any desire to radicalize the whole framework in the principal period of imposing GST and needed to have 'a smooth arrival'. In any case, there may be plans for adjustments or changes in the offing. We can trust that given the significance of instruction in our



general public, the Government will actualize proper measures to make education and training at all levels the minimum troubled scenario. As of now, the Indian government spends about 4 percent of its GDP on education, of which 50 percent is allocated to primary education, including educational institutions for higher education, private players as well as coaching institutions under the lower tax slabs, which will help improve the quality of education in the country, as well as ensure proximity and, hence, access. Moreover, seamless credit on input tax should be implemented across the supply chain, in order to bring down the total cost of education upon India's journey into the GST era. Therefore, in order to provide real benefit

to the education sector, seamless credit should be allowed across the supply chain so that even if GST comes into force, the total cost of education will be lower than what it is today. The idea of zero-rated tax on inputs must be, thus, explored.

Some Selected References

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