

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3393

ANSWERED ON:01.08.2014

EDUCATION CESS

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Will the Minister of FINANCE be pleased to state:

- (a) the fund collected as education cess during each of the last three years and that allocated. State and head-wise:
- (b) the criteria prescribed for allocation of funds for specific purpose; and
- (c) the total fund likely to be collected by the end of the current financial year and the benefits likely to occur on account of its implementation?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (NIRMALA SITHRAMAN)

(a) & (b):The education cess collected during each of the last three years under direct and indirect taxes is as under:

(Rs. In crore)

Nature of Taxes	2011-12	2012-13	2013-14#
Direct Taxes	14464	15812	18056
Indirect Taxes	12729	14760	15223

The proceeds of Education Cess are credited to Prarambhik Shiksha Kosh (PSK) to be spent on Sarva Shiksha Abhiyan (SSA) and Mid Day Meal Scheme (MDMS) of Government. The funds credited under PSK are allocated to the Flagship Schemes of SSA and MDM of Department of School Education & Literacy. Though there is a separation of funds at the central level, however, while releasing the funds to the States, no separation is maintained between Gross Budgetary Support (GBS) and PSK fund. The funds allocated and the expenditure made during the last three years is given in the Annexure. Data is not being maintained State-wise and head-wise.

(c)The Budget Estimate in respect of collection of Education Cess under direct taxes during current financial year i.e. 2014-15 is Rs 21241 crore whereas it is Rs.18864 in respect of indirect taxes. The proceeds of Education Cess has helped in strengthening of various components of SSA such as provisions of school building, drinking water, toilets, especially for girls as well as appointment of teachers. As a result of these efforts there has been considerable enhancement in enrolment of children in schools i e. 13.24,28,440 children in primary schools and 6,64.71.219 children in upper primary schools in more than 1 2 million Government and Government aided schools in the country Under Mid Day Meal (MDM) 10.81 crore children in over 11.58 lakh Schools are being provided with hot cooked meals.