

**THE AUTHORITY FOR ADVANCE RULING  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU - 560 009**

**Advance Ruling No. KAR ADRG 23/2023**

**Dated:13.07.2023**

Present:

1. Dr. M.P. Ravi Prasad  
Additional Commissioner of Commercial Taxes . . . . Member (State)
2. Sri Kiran Reddy T  
Additional Commissioner of Customs & Indirect Taxes . . . . Member (Central)

1.	Name and address of the applicant	M/s. Isha Foundation, Sy No.220, Isha Yoga Center, Kasab Hobli, Avalgurki Village, Chikkaballapura-562101.
2.	GSTIN or User ID	29AAATI1053R1Z9
3.	Date of filing of Form GST ARA-01	27.03.2023
4.	Represented by	Pushpaveni Kakkaje, Advocate
5.	Jurisdictional Authority - Centre	The Commissioner of Central Tax, Bengaluru North GST Commissionerate, North Division-9, RANGE-BND9, Doddaballapur-I Range, Bengaluru
6.	Jurisdictional Authority - State	ACCT, LGSTO-183, Chikballapur
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000-00 under CGST Act and Rs.5,000-00 under SGST Act vide debit of Electronic Cash Ledger Reference No. DC2903230143270 Dated 18.03.2023

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017  
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s. Isha Foundation, Sy No.220, Isha Yoga Center, Kasab Hobli, Avalgurki Village, Chikkaballapura-562101 (hereinafter referred to as 'The applicant'), having GSTIN 29AAATI1053R1Z9 have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in FORM GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The applicant is a Public Charitable Trust registered under the provisions of Central Goods and Services Tax Act, 2017 as well as Karnataka Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act and KGST/SGST Act respectively). The



applicant is engaged in promoting education, yoga, meditation and other charitable objectives.

3. The applicant has sought advance ruling in respect of the following questions:

- i. *Whether the Education being provided by the applicant is exempt under Entry No.57 of Notification No.9/2017-Integrated Tax (Rate) dated 28<sup>th</sup> June 2017?*
- ii. *If no for point (a), whether such service is exempt under any other notification?*

4. **Admissibility of the application:** The question is about the “applicability of a notification issued under the provisions of this Act” and is admissible under Section 97(2)(b) of the CGST Act 2017.

5. **BRIEF FACTS OF THE CASE:** The applicant furnishes some facts relevant to the issue:

5.1 The applicant submits that they are a Public Charitable Trust founded in the year 1992, by Sadhguru and they enjoy exemption under section 12AB and 80G of Income Tax for its activities; that the Trust Deed clearly lays down the primary objective of the trust as promoting education, yoga, meditation and other charitable objectives.

5.2 The Applicant states that they are desirous to run Isha Samskriti, a gurukul style of residential school which seeks to impart traditional Bharatiya style of education to children between ages of 7 and 18 in Chikkaballapur in Karnataka; that main objective of this form of education is to nurture the human being so that his body, mind and energies are able to grow to the fullest extent; That main subjects taught in the school are Sanskrit and English language, Indian classical music(Carnatic and Hindustani), Indian classical dance( Bharatnatyam and other forms), Kalaripayattu, Yoga and basic arithmetic; that extracurricular activities including football, volleyball and treks will be conducted.; that school will not issue any certificate of education but students have the option to appear for National open school examination at class 10 and 12 level.

5.3 The applicant states that “Asatoma Sadgamaya” (Meaning: From untruth to truth), the mantra from the Brihadaranyaka Upanishad is the mission of Isha Foundation and therefore nurturing human beings and transforming them into becoming more inclusive and conscious human beings is the primary work. In that direction and in order to further the advancement of spirituality and yoga in the years to come, Isha Foundation has established the Ancient Gurukul style of education to create a set of youth whose core value system is based solely on spirituality and yoga.

5.4 A unique blend of Yogic practices, Indian classical arts such as Bharatanatyam and Classical Music, and martial arts such as Kalaripayattu, bring balance and stability to the child’s body and mind. These intricate art forms have been used for thousands of years not as an entertainment or a hobby, but as a spiritual process. Sanskrit – a language unparalleled in its spiritual significance, forms a major part of their learning process. The children also study English and basic Mathematics. Children are also

taught how to tend to mother earth. Residential accommodation and healthy vegetarian meals are provided to the children.

5.5 The applicant states that in an atmosphere of dedication, discipline and focus, each aspect of the child's lifestyle is carefully chosen to orient them towards their inner nature. The children develop into dynamic, capable and dedicated human beings. Thus, Isha Samskriti is an educational institution which is imparting yogic and spiritual education as follows:

- a. Yoga - Classical Hatha Yoga as described in various yogic texts like Patanjali Yoga Sutras is taught. Once the children learn Yoga, they are made to practice everyday which creates an ambience within their system to advance towards their spiritual well being.
- b. Indian Classical Music - as taught in the Hindustani & Carnatic traditions which are based on Samaveda & Natya Shastra. In Indian classical music, the way sound is used - the ragas, the tunes, everything - is such that if one gets deeply involved in this, it will bring meditateness. The whole purpose of introducing this is to bring meditateness and thus spirituality into the experience of the children so that they live it and then teach and spread it to others in the course of their life.
- c. Indian Classical Dance - as taught in Bharatanatyam and other forms based on Samaveda & Natya Shastra. Dance is not just entertainment but when the postures and the mudras are properly used, it leads to meditateness. Dance is taught with this objective and the children imbibe the quality of meditateness and spread the same to the world around them by living and teaching the same.
- d. Kalaripayattu - Known as "the mother of all martial arts," is said to have originated from the Dhanurveda, a scientific treatise on the art of warfare in ancient Bharat (India). Practicing Kalaripayattu increases one's flexibility and agility, strengthens the muscles and tendons by exercising the body without the need for any equipment. This helps the children to become meditative.
- e. Sanskrit Language - is a highly codified language which is scientifically structured to impact the human system. Sanskrit is one language where form and sound are connected. Learning and chanting Sanskrit mantras creates a powerful experience within an individual and creates the right ambience for spiritual growth of a human being.
- f. English, Mathematics etc. are taught for a child to learn to communicate and function in the world.

These disciplines have been chosen for their impact on the child's physical and intellectual development, as well as being conducive for the spiritual process. Children are specially trained in Vedic chants which makes them sharper and Devarnam music



which helps them develop devotion as both sharpness of intellect and total devotion which is equally needed for living a spiritually enriched life.

5.6 The Applicant also submits that ISHA Samskriti, both in its conception and execution will be like a residential/ boarding school where students live in school campus; that the only difference would be that the school seeks to define its own curriculum which is in line with Bharatiya tradition of gurukula and would focus on classical arts while seeking complete physical, mental, emotional and spiritual development of the students; that they believe that education sought to be provided by ISHA samskriti is covered under entry No. 57 of Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017.

5.7. In a letter dated:13.04.2023 the authorized representative of the Applicant has submitted that while filing the application they have inadvertently mentioned the entry no. 57 of the of Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017 instead of entry no. 69 of the same notification and have requested to consider the same.

#### 6. Applicant's Interpretation of Law:

6.1 The applicant is of the view that the since the primary objective of Isha Foundation is advancement of spirituality and yoga and since Isha Samskriti will be run to advance that objective, they are exempted under entry No. 1 of Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017 as under:

Sl No.	Chapter, Section, Heading Group or Service Code (Tariff)	Description of Services	Rate (per cent)	Condition
1	99	Services by an entity registered under section 12AA or 12AB of the Income-tax Act,1961 (43 of 1961) by way of charitable activities.	Nil	Nil

For the purposes of this notification, unless the context otherwise requires, -

(r) "charitable activities" means activities relating to -

- i. ....
- ii. advancement of religion , spirituality or yoga;
- iii. ....

6.2 The applicant submits that the Government of India has issued circular No.66/40/2018-GST with respect to GST on Residential programmes or camps meant for advancement of religion, spirituality or yoga by religious and charitable trusts and reiterated the clarification provided in Chapter 39 "GST on Charitable and Religious Trusts" of Compilation of 51 GST Flyers updated as on 01.01.2018 as follows:

“The services provided by entities registered under Section 12AA of the Income Tax Act, 1961 by way of advancement of religion, spirituality or yoga are exempt. Fees or consideration charged in any other form from the participants for participating in a religious, Yoga or meditation programme or camp meant for advancement of religion, spirituality or yoga shall be exempt.

Residential programmes or camps where the fee charged includes cost of lodging and boarding shall also be exempt as long as the primary and predominant activity, objective and purpose of such residential programmes or camps is advancement of religion, spirituality or yoga. However, if charitable or religious trusts merely or primarily provide accommodation or serve food and drinks against consideration in any form including donation, such activities will be taxable. Similarly, activities such as holding fitness camps or classes such as those in aerobics, dance, music etc. will be taxable”.

6.3 The Applicant submits that the curriculum of ISHA Samskriti is so designed to enable the student to attain such practices which will enable him to work towards the goal of union with divine. It may be emphasized that the exemption under notification is available to ‘advancement of religion, spirituality or yoga’; that the detailed curriculum shows that the same is for advancement of spirituality and yoga and hence clearly entitled to the benefit of exemption; that the expression used in the exemption are of wide import and thus ought to be interpreted to extend the benefit as long as the activities undertaken provide advancement of any three, viz., religion, spirituality or Yoga.

6.4 The applicant submits that in view of the above since their primary and predominant activity is advancement of spirituality and yoga and the whole purpose of Isha Samskriti is also the same, they are seeking exemption from GST for the fee to be paid by the Students, under entry 1 , chapter 99 of the Notification No. 9/2017-Integrated Tax (Rate) dated 28th June 2017.

6.5 The Applicant also states that they believe that education sought to be provided by Isha samskriti is covered under entry No. 69 of Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017.

#### **PERSONAL HEARING / PROCEEDINGS HELD ON 13.04.2023 AND 18.05.2023**

7. Pushpaveni Kakkaje, Advocate and Duly Authorised Representative appeared for personal hearing proceedings held on 13.04.2023 and 18.05.2023 and reiterated the facts narrated in their application.

#### **FINDINGS & DISCUSSION**

8. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST

9. We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issues involved on which advance ruling is sought by the applicant and the relevant facts along with the arguments made by their authorized representative and also their submissions made during the time of hearing.

10. The Applicant states that they are desirous to run Isha Samskriti, a gurukul style of residential school and main objective of this form of education is to nurture the human being so that his body, mind and energies are able to grow to the fullest extent; that they teach subjects like Sanskrit and English language, Indian classical music(Carnatic and Hindustani), Indian classical dance( Bharatnatyam and other forms), Kalaripayattu, Yoga and basic arithmetic; that these disciplines have an impact on the child's physical and intellectual development which is conducive for the spiritual process.

The Applicant in the first hearing held on 13.04.2023 stated that they wanted to know whether the activities done by ISHA Samskriti is exempted under entry No. 69 of Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017 and in the second hearing, under entry No. 1 of Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017. We examine one by one.

11. The Applicant submits that since the predominant activity of ISHA foundation and that of Isha Samskriti is advancement of spirituality and yoga, they are seeking exemption under entry 1 of the Notification No. 9/2017-Integrated Tax (Rate) dated 28th June 2017 and the same is reproduced below:

<b>Sl No.</b>	<b>Chapter, Section, Heading Group or Service Code (Tariff)</b>	<b>Description of Services</b>	<b>Rate (per cent)</b>	<b>Condition</b>
1	99	Services by an entity registered under section 12AA or 12AB of the Income-tax Act,1961 (43 of 1961) by way of charitable activities.	Nil	Nil

Thus as per this entry of notification, exemption is given only if the following conditions are satisfied.

- i. The entity providing services should be registered under section 12AA or 12AB of the Income-tax Act,1961.
- ii. And the services provided by that entity should be by way of 'charitable activities'

Thus, it is essential that the services must conform to the term "charitable activities" which has been defined in the notification as under:

For the purposes of this notification, unless the context otherwise requires, -



(r) "charitable activities" means activities relating to –

- i. ....
- ii. advancement of religion, spirituality or yoga;
- iii. ....

12. Now let us examine whether the Applicant satisfies the above conditions one by one. The Applicant has stated that they are registered under section 12AB of the Income-Tax Act 1961 and they have submitted a copy of order for registration in Form No.10AC supporting the same. Thus the Applicant has satisfied the first condition mention at para 11 supra.

13. Now let us examine whether the Applicant satisfies the second condition. The Applicant states that ISHA Foundation trust deed lays down the primary objective of the trust as promoting education, yoga, meditation and other charitable objectives. However on going through the objectives of the trust it is observed that it mentions 'spreading of knowledge and practice of yoga, meditation and other related fields' and spreading of education and also other objectives like relief to poor, medical relief etc as their other objectives. However, there is no mention of any words like advancement of religion or spirituality.

13.1 The Applicant has stated that 'Isha Samskriti' is a gurukul style of residential school where subjects like Sanskrit and English language, Indian classical music(Carnatic and Hindustani), Indian classical dance( Bharatnatyam and other forms), Kalaripayattu, Yoga and basic arithmetic are taught and also extracurricular activities including football, volleyball and treks. They are just teaching these subjects as any other subjects in any normal residential schools but with a difference that the subjects taught here are not the same.

13.2 The Applicant also states that once the student completes 10 years of education (or till they attain 18 years), they can become professional dancers, musicians or yoga/kalaripayat teachers, but does not talk anything about being spiritual. In view of the above, it is observed that the Applicant is not providing any services relating to advancement of religion, spirituality and yoga. Hence, the Applicant has failed to prove that the services provided by them through 'Isha Samskriti', a gurukul style of residential school does not qualify to be 'charitable activities' as defined in the notification mentioned supra at para 11 and therefore not eligible to claim exemption as per entry 1 of the Notification No. 9/2017-Integrated Tax (Rate) dated 28th June 2017.

14. The first question of the applicant is *Whether the Education provided by the applicant is exempt under Entry No.57 of Notification No.9/2017-Integrated Tax (Rate) dated 28<sup>th</sup> June 2017.* Since the authorized representative of the Applicant has submitted a letter stating that they have inadvertently mentioned entry no. 57 instead of 69 and has requested to read the entry as 69, the same is considered. Now we examine whether the Education provided by the applicant is exempt under Entry No.69 of Notification No.9/2017-Integrated Tax (Rate) dated 28th June 2017 and the same is reproduced below:



Sl. No	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
69	Heading 9992	Services provided -(a) by an educational institution to its students, faculty and staff;  (aa) ----- (b) -----	Nil	Nil

From the above entry it is clear that to claim exemption under the above entry, the Applicant should be an educational institution. The definition of educational institution for the purposes of this notification, unless the context otherwise requires is as below:

2(y) "educational institution" means an institution providing services by way of,-

- (i) pre-school education and education up to higher secondary school or equivalent;
- (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
- (iii) education as a part of an approved vocational education course;

14.1 The Applicant states that 'Isha Samskriti' is a residential school with its own curriculum which is in line with Bharatiya tradition of gurukulas. The Applicant is neither providing pre-school education nor education up to higher secondary school and they are following their own curriculum. In view of the above the Applicant is not covered under the definition of "educational institution" as per Notification No.9/2017-Integrated Tax (Rate) dated 28th June 2017 and hence cannot claim exemption as per entry no.69 of the same notification.

15. In view of the foregoing, we pass the following

### R U L I N G

- i. The Education being provided by the applicant is not exempt under Entry No.69 of Notification No.9/2017-Integrated Tax (Rate) dated 28.06.2017.
- ii. The service provided by the Applicant through ISHA Samskriti is not exempt under any other notification.

  
(Dr. M.P. Ravi Prasad)

MEMBER

  
(Kiran Reddy T)

Member

MEMBER

Karnataka Advance Ruling Authority  
Place: Bengaluru - 560 009

Karnataka Advance Ruling Authority  
Bengaluru - 560 009

Date: 13.07.2023

M/s. Isha Foundation



To,  
The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bengaluru North GST Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-183, Chikballapur.
5. Office Folder.

