M/s Ootacamund Gymkhana Club

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 50 /ARA/2026 Dated **04.08.2026**

Q Questions Before the Authority

- Whether Input Tax Credit (ITC) is admissible on GST paid for land survey charges incurred for the purchase of land used to meet afforestation obligations, which are directly linked to the operation of a golf course business?

F Facts

The club, a heritage golf club in the Nilgiris established over 129 years ago, uses forest land for its golf course. Under a Forest Department letter dated 06.03.2019, its golfing use was restricted to 43.75 hectares, and it was required to identify and surrender alternate land for afforestation. The club bought alternate land, registered in April 2025, and engaged a registered land surveyor who issued five GST invoices covering a 108-acre survey and related charges.

H Ruling

ITC on GST paid for land survey charges for purchase of land to meet afforestation obligations	**Not admissible**	Ruling rests on Section 16(1) and Section 17(5)(h) of the CGST Act, 2017. Applies to alternate land surrendered to the Forest Department and written off. The ruling does not expressly address survey charges for the existing golf course land.

The Authority ruled that **Input Tax Credit is not admissible** on GST paid for land survey charges incurred for purchasing land used to meet afforestation obligations. The reason given is that such services are not eligible under Section 16(1) and Section 17(5)(h) of the CGST Act, 2017. The alternate land is **surrendered to the Forest Department** and its value is written off, so it is not used in the furtherance of business.

R Reasoning

The Authority held that the alternate land is not used or intended for use in the course or furtherance of business under Section 16(1), because it is handed over to the Forest Department and produces no independent economic benefit. It then held that input services relating to that land, which is surrendered and written off, fall within the blocked credits in Section 17(5)(h) for goods or services written off or disposed of. In its discussion, the Authority also treated survey charges for the existing golf course land as blocked under Section 17(5)(d), reading the golf course works as construction of immovable property, with land excluded from plant and machinery by the Explanation to Section 17(5). It further relied on Schedule III to observe that land transactions are not supplies of services. These Section 17(5)(d) and Schedule III observations appear in the reasoning, not the operative ruling.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

- Section 16(1) of the CGST Act, 2017
- Section 17(5)(d) of the CGST Act, 2017 (discussed in reasoning)
- Section 17(5)(h) of the CGST Act, 2017
- Explanation to Section 17(5) of the CGST Act, 2017 (definition of plant and machinery excluding land)
- Schedule III of the CGST Act, 2017 (discussed in reasoning)
- Section 97(2)(b) of the CGST/TNGST Act, 2017 (admission)
- Sections 100, 103 and 104 of the CGST/TNGST Act, 2017 (appeal, binding effect and fraud, referred to in the preamble)

! For the Practitioner

Practitioners advising clubs or entities that surrender land to the forest department for afforestation compensation can use this ruling to see that ITC on survey and related charges for that surrendered and written-off land is blocked. The ruling is binding only on the applicant and its jurisdictional officer. It does not settle the ITC position on survey charges for existing land used for operations, where the Authority's Section 17(5)(d) reasoning is not in the operative ruling. The applicant also did not produce the work order or agreement with the surveyor, which the order notes.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> ootacamund_aar_order.pdf

Prepared 11-11-2026.

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