AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND UNDER SECTION 98(4) OF THE TNGST ACT, 2017

Members present:

Shri R.V. Pradhamesh Bhanu, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.	**Shri B. Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.**

Advance Ruling No. 50 /ARA/2026 dated 04.08.2026

1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.

2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-

(a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.

(b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.

3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.

5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.

GSTIN Number, if any/User id	33AAACO6966G1ZC
Legal Name of Applicant	M/s Ootacamund Gymkhana Club
Trade Name of Applicant	M/s Ootacamund Gymkhana Club
Registered Address/ Address provided while obtaining User id	Finger Post, Ooty, The Nilgiris-643006
Details of Application	Advance Ruling Application No.48/2025/ARA dated 03.10.2025
Jurisdictional Officer	State - Tamil Nadu, Division – Coimbatore, Zone -Uthagamandalam, Circle – Uthagai (North) Assessment Circle Centre- Zone – Chennai, Commissionerate – Coimbatore, Division - Coonoor, Range – Ooty
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	 B. Golf Club
Issues on which advance ruling required	1. Admissibility of Input Tax Credit (ITC) of tax paid or deemed to have been paid.
Question(s) on which advance ruling is required	1.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?

M/s. Ootacamund Gymkhana Club, having place of business at Finger Post, Ooty, The Nilgiris-643006 (hereinafter called as the "Applicant") has registered with GSTIN 33AAACO6966G1ZC under the Goods and Services Tax Act. They have filed this application for advance ruling under Section 97 of the CGST Act, 2017, and corresponding provisions under the Section 97 of TNGST Act, 2017. The Applicant has made a payment of application fees of Rs.10,000/- under sub rule (1) of Rule 104 of CGST Rules, 2017 and TNGST Rules, 2017.

2. Statement of relevant facts having a bearing on the questions raised.

2.1. M/s. Ootacamund Gymkhana Club is a heritage club established over 129 years ago, located in the Nilgiris District, Tamil Nadu. The club is primarily engaged in providing golfing facilities and related amenities to its members and guests. Apart from golfing, they provide food, accommodation, bar services etc., to our members and affiliated club members. They collect GST on all services rendered to the members except bar facilities, for which they collect and pay VAT on a monthly basis.

The club uses forest land to provide golfing facilities to its members. As part of its compliance obligations towards afforestation and in lieu of the forest land being used, the club was required to purchase equivalent land for afforestation purposes. In this connection, the club engaged a registered vendor (Land Surveyor) to carry out land survey activities aimed at identifying the total forest land utilized by the club for golfing facilities and evaluating suitable alternative land for afforestation. The vendor issued a proper GST invoice for the services rendered, and the club duly paid the applicable GST.

2.2 The Applicant claims that this activity is directly connected to the continued use and operation of their golfing facilities and it is therefore an integral part of their business operations undertaken to fulfil regulatory requirements necessary for sustaining their primary business activity.

2.3 The applicant has filed the present application for advance ruling seeking clarification on the following question:

> 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?

3. Applicant's interpretation of law:

The Applicant is of the opinion that the Input tax Credit (ITC) of the GST paid on land survey charges is admissible under Section 16 of the CGST Act, 2017 as:

1. The land survey services are used in the course or furtherance of our business, which is providing golfing facilities.
2. The invoice is valid and tax is duly paid to a registered vendor.
3. The service is not used for construction of immovable property on their own account.

4. The activity of land survey does not fall under any of the blocked credits under Section 17(5) of the CGST Act.

The Applicant claims that this activity is directly connected to the continued use and operation of their golfing facilities and it is therefore an integral part of their business operations undertaken to fulfil regulatory requirements necessary for sustaining their primary business activity.

4. The applicant is under the administrative control of State. The concerned authorities of the Centre and State were addressed to report if there are any pending proceedings against the applicant on the issues raised by the applicant in the ARA application and for comments on the issues raised. Remarks have been received from the State & Centre Authority that there are no pending proceedings on the questions raised in their Advance Ruling Application.

5. Personal Hearing

5.1 The applicant was initially given an opportunity to be heard in person on 17.02.2026 but they requested for postponement and at the next hearing fixed on 27.03.2026, their representative appeared and requested for further postponement. Another personal hearing was fixed on 06.07.2026.

5.2 Shri. M.S.Seshan, Chartered Accountant appeared for the personal hearing as the authorized representative (AR) of M/s. Ootacamund Gymkhana Club. The AR reiterated the submissions made in their application for advance ruling. AR also submitted written submissions.

5.3 The AR submitted that the Club is using 193 hectares of land for Golfing activities declared as Reserve Forest Area. Subsequently, the Forest Department vide letter dated 06.03.2019 had restricted the usage to the extent of 43.75 hectares of land for golfing activity and instructed to hand over the balance land to the Forest Department and club was asked to identify alternate land for afforestation purposes. The AR informed that the alternate land was identified, purchased and the registration was completed in April 2025 to be handed over to the Forest department. He further stated that if alternate land is not identified and handed over to Forest department, the club will lose 43.75 hectares of land which is now used as golf course. Loss of 43.75 hectares of land will result in the club losing its main course of activity which will result in loss of revenue to the department. The AR further stated that a survey had to be conducted to measure the existing land and for purchasing identified alternate land. Survey charges incurred by them is

towards continuation of business of the club that is to continue golfing activities. The AR stated that the land purchased will be shown as an Intangible asset and written off in the books of accounts. Survey charges is incurred to obtain the right to use the other land for golfing activities. To a query as to whether there is an agreement between the Forest department and the club, the AR stated that there is no agreement. The AR was instructed to submit the work order/agreement between the service provider and the club, if any. The AR requested for a ruling as to the eligibility of availing ITC of the GST paid for Surveying charges. The AR has not submitted any work order/agreement so far.

5.4 Additional submissions:

The AR had submitted written submissions at the time of Personal hearing. The applicant had stated that the alternative land so acquired and surrendered does not represent a separately identifiable asset of the Company and does not generate independent economic benefits. The said cost is being depreciated/amortised as part of the Golf Course asset in accordance with the Company's accounting Policy for Property, Plant and Equipment. In the books of accounts, the land purchase is treated as intangible assets since the value of land purchased along with registration charges and incidental expenses incurred even though registered in the name of the company will be surrendered to Government (Forest department) for afforestation purposes.

5.5 The purchased land will not be used by the company for Golfing activities. But the purchase of land surrendered to Government for afforestation purposes has made the Company to use the reserve forest land for golfing activity. Hence, the amount paid towards the land purchase and incidental expenses incurred has to be treated as right acquired by the company to use reserve forest land for golfing activity. This right will be written off in the books of accounts over a period of time equally till the reserve forest land is taken over by the Government.

6. Discussions and Findings:

6.1 We have carefully examined the submissions made by the applicant in their advance ruling application and the submissions made during the personal hearing. We have also considered the issue involved, the relevant facts and the applicant's submission / interpretation of law in respect of question on which the advance ruling is sought.

6.2 We see that the Applicant has applied for Advance Ruling requesting to know:

"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?"

We find that the query is liable for admission as it gets covered under Section 97 (2) (b) of CGST/TNGST Act, 2017 under "Admissibility of Input Tax Credit (ITC) of tax paid or deemed to have been paid."

6.3. We note that the Applicant is a heritage club established over 129 years ago, located in the Nilgiris District, Tamil Nadu. The club is primarily engaged in providing golfing facilities and related amenities to its members and guests. The club uses forest land to provide golfing facilities to its members. As part of its compliance obligations towards afforestation and in lieu of the forest land being used, the club was required to purchase equivalent land for afforestation purposes. For this purpose, the club engaged a registered vendor (Land Surveyor) to carry out land survey activities aimed at identifying the total forest land utilized by the club for golfing facilities and evaluating suitable alternative land to be handed over to Forest Department for afforestation purposes.

6.4 We find that the Land Survey charges has been incurred for the purpose of surveying the existing land on which golfing activities is being conducted and also to find alternate land which is to be handed over to the Forest department for afforestation purposes. As such, the alternate land for which survey is conducted is being purchased by the applicant and then handed over to the Forest department for afforestation purposes.

6.5 To go in to the query as to eligibility or otherwise of Input tax credit on Land Survey Charges, let us first go to the Section 16 of CGST Act, 2017.

"Section 16. Eligibility and conditions for taking input tax credit.-
(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, **be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business** and the said amount shall be credited to the electronic credit ledger of such person".

We observe that as per Section 16 (1) of CGST Act, 2017, any registered person shall be entitled to avail credit on input tax charged on any supply of goods or services or both received by him which are used or intended to be used in the course or furtherance of his business.

6.6 In the instant case, we get to know that the alternate land purchased and handed over is not being utilised by the applicant in the furtherance of his business. The applicant hands over the land to the Forest department for afforestation purposes. We note that the land so acquired and surrendered does not represent a separately identifiable asset of the Company and does not generate independent economic benefits. Also, the land does not continue to be in the possession of the Applicant and hence, the same cannot be held as "being used or intended to be used in the course or furtherance of his business". As this specific asset transfer produces zero taxable revenue or direct outward supply, it breaks the core ITC chain necessary for eligibility.

As such, we feel that the Surveying Charges on land purchased and handed over to the Forest department is not available as Input Tax Credit as per Section 16(1) of CGST Act, 2017.

6.7 Further, we go in to Section 17 (5) of CGST Act, 2017 which speaks about blocked credits.

> "5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely:-
>
> (a) .....
> (b) .....
> (c) .....
> (d) **goods or services or both received by a taxable person for construction of an immovable property (other than [7][plant and machinery]) on his own account including when such goods or services or both are used in the course or furtherance of business.**
>
> [8]**[Explanation 1]** -For the purposes of clauses (c) and (d), the expression "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;
>
> [9]**[Explanation 2.**—For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to "plant or machinery" shall be construed and shall always be deemed to have been construed as a reference to "plant and machinery.]

(e) goods or services or both on which tax has been paid under section 10;

(f) goods or services or both received by a non-resident taxable person except on goods imported by him;

[5][(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;]

(g) goods or services or both used for personal consumption;

(h) **goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and**

(i) any tax paid in accordance with the provisions of [6][section 74 in respect of any period up to Financial Year 2023-24]

(6) The Government may prescribe the manner in which the credit referred to in sub-sections (1) and (2) may be attributed.

.....

Explanation.- For the purposes of this Chapter and Chapter VI, **the expression "plant and machinery"** means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but **excludes-**

(i) land, building or any other civil structures;

(ii) telecommunication towers; and

(iii) pipelines laid outside the factory premises".

As per Section 17 (5) (d) of CGST Act, 2017, Input tax credit is blocked on goods or services received for construction of an immovable property on his own account even when such goods or services or both are used in the course or furtherance of business. This Section allows Input Tax Credit in respect of Plant and Machinery, however, as per the Explanation shown above, land is excluded from the Plant & Machinery. In other words, Input Tax Credit is not available for goods or services related to land even when they are used in the course or furtherance of business.

6.8 We find that in the present case, the Applicant engaged a registered vendor (Land Surveyor) to carry out land survey activities aimed at identifying the total forest land utilized by the club for golfing facilities and evaluating suitable alternative land for afforestation. The Land Surveyor had issued 5 GST invoices for Survey charges for the following:

1) Topographical Survey using DGPS and KML file generation for 108 Acres

2) Topographical contour survey using Total station for 108 acres at Golf course, Ooty

3) Bush Cleaning charges for 52 acres, food, accommodation, travel expenses to the forest

4) Kadanadu and Ebbanadu kml file generated for 105 acres surveyed area on grounds is 108 acres.

5) Additional Special Survey for pipeline irrigation at Gymkhana Golf Course.

We observe from the said invoices that the Land survey has been done for the total land of 108 acres. As stated by the applicant, the surveyed land included the existing land to be used for golfing activities and identification of alternate land for handing over to Forest department for afforestation purposes.

6.9 We find that the applicant has used the existing land for construction of golf course and other related activities. Construction of Golf course involves Earthwork, fairway land-shaping, laying artificial turf, irrigation/drainage systems, greens, hazards, and pathways integrated permanently into the earth to create a golf course i.e it converts the land into a permanent civil asset. In other words, a golf course involves earthwork, turfing, land shaping, drainage, and civil structures. These activities performed on land amounts to construction of immovable property. As such, land used for Golf course by the Applicant is construction of an immovable property on his own account and the same is used in the furtherance of the Applicant's business. Surveying is a preliminary, essential service required for site preparation and design, directly linked to the construction of that immovable property. Surveying charges incurred directly in relation to land development or construction of an immovable property fall under the broad ambit of "services received for construction/development". So, as the Surveying charges being used for Golf activities on land in the applicant's own account even when used in the furtherance of business, Input Tax Credit is blocked under Section 17(5)(d) of CGST Act, 2017.

6.10 Further, we find that as per Section 17 (5) (h) of CGST Act, 2017 input tax credit is not available for

> (h) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and

In other words, input tax credit is blocked when goods are lost, written off or disposed off by way of gift or free samples.

6.11 We feel this would invariably be applicable to input services related to land also. In respect of Surveying charges used for determination of alternate land, we take note that the applicant has stated that the alternate land so identified has been purchased and this alternate land is to be handed over to the Forest Department for afforestation purposes. As stated by the Applicant, the amount paid towards the land purchase and incidental expenses incurred will be written off in the books of accounts by the applicant over a period of time equally till the reserve forest land is taken over by the Government.

6.12 As the applicant is handing over /surrendering the alternate land to the Forest department and thereafter writing off the value of the land in the books of accounts, we feel that input services related to alternate land which is surrendered to the Forest department and written off in the books is blocked and Input Tax Credit is not available for Survey Charges used for alternate land as per Section 17 (5) (h) of CGST Act, 2017.

6.13 Further, as per Schedule III of CGST Act, 2017, transactions related to land is not treated as Supply of Services. Hence, any input service that is related to land is not eligible for Input Tax Credit. As such, Surveying charges incurred on land is not eligible as Input Tax Credit to the applicant.

7. In view of the above, we rule as under:

Ruling

Input Tax Credit (ITC) is not admissible on GST paid for land survey charges incurred for the purchase of land used to meet afforestation obligations as the same is not eligible under Section 16 (1) & Section 17 (5) (h) of CGST Act, 2017.

(B.SUSEEL KUMAR)
Member (SGST)

AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
TAMILNADU

(R.V.PRADHAMESH BHANU)
Member (CGST)

To

M/s Ootacamund Gymkhana Club
Finger Post, Ooty,
The Nilgiris-643006

Copy submitted to:

1. The Principal Chief Commissioner of GST and Central Excise,
   26/1, Uthamar Mahatma Gandhi Road,
   Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
   Integrated building for Commercial Taxes and Registration,
   Nandanam, Chennai 600 035.
3. The Commissioner of GST and Central Excise,
   Coimbatore Commissionerate,
   6/7, A.T.D. Street, Racecourse, Coimbatore- 641.018.

Copy to:

1. The Assistant Commissioner,
   Coonoor Division,
   No.65, Brook Lands, Main Road,
   Quill Hill, Coonoor, Tamil Nadu – 643 101.
2. The Joint Commissioner (ST),
   Coimbatore Division,
   1st Floor, CTO Complex,
   Dr.Balasundaram Road,
   Coimbatore - 641 018.
3. The Deputy Commissioner (ST),
   Uthagamandalam Zone,
   1st floor, Commercial Taxes Building,
   Jail Hill Road, Uthagamandalam,
   The Nilgiris, Tamil Nadu – 643 001.
4. The Assistant Commissioner (ST),
   Uthagai (North) Assessment Circle,
   O/o the State Tax Officer,
   1st Floor, Commercial Taxes Building,
   Jail Hill Road Uthagamandalam,
   The Nilgiris – 643 001.
5. Stock File – A1