



**TELANGANA STATE AUTHORITY FOR ADVANCE RULING**  
**CT Complex, M.J Road, Nampally, Hyderabad-500001.**  
**(Constituted under Section 96(1) of TGST Act, 2017)**

**Present:**

**Sri B. Raghu Kiran, IRS, Additional Commissioner (Central Tax)**  
**Sri S. Kasi Visweswara Rao, Additional Commissioner (State Tax)**

**A.R.Com/40/2018**

**Date:11.10.2021**

**TSAAR Order No.25/2021**

**[ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 AND UNDER SECTION 98(4) OF THE TEALANGANA GOODS AND SERVICES TAX ACT, 2017.]**

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1. M/s. Nile Limited, Hyderabad Plot no 24 A/A, MLA Colony, Road No.12, Banjarahills, Hyderabad- 500034 Telangana. (GSTIN No. 36AAACN7343L3Z5) has filed an application in **FORM GST ARA-01** under Section 97(1) of TGST Act, 2017 read with Rule 104 of CGST/TGST Rules.
2. At the outset, it is made clear that the provisions of both the CGST Act and the TGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the TGST Act. Further, for the purposes of this Advance Ruling, the expression 'GST Act' would be a common reference to both CGST Act and TGST Act.
3. It is observed that the queries raised by the applicant fall within the ambit of Section 97 of the GST ACT. The Applicant enclosed copies of challans as proof of payment of Rs. 5,000/- for SGST and Rs. 5,000/- for CGST towards the fee for Advance Ruling. The concerned jurisdictional officer also raised no objection to the admission of the application. The application is therefore, admitted
4. **Brief facts of the case:**

M/s. Nile Limited have operations in Andhra Pradesh & Telangana. Their head office is situated at Hyderabad, Telangana.

They have submitted that they are paying GST under Reverse Charge Mechanism (RCM) on common input services. After making such payment of GST under RCM, they are availing input credit on such input services

They submitted that the common input services are pertaining to whole company, not to any particular state. Therefore, such input credit needs to be distributed among all the states, as per Rule 39 of the CGST Rules. They submitted that the distribution can be done through Input Service Distributor (ISD), and hence they took an ISD Registration.

They submitted that before distribution of input credit by the ISD, the input credits need to be transferred to the ISD, as per the provisions of Rule 54(1A) of the CGST Rules. The transfer of input credit under Rule 54(1A) of the CGST Rules is by way of issuing an invoice, or Debit/Credit Note. However, that they are unable to transfer IGST to their ISD registration as both these registrations are in the same State.

5. **Questions raised:**

1. Whether the Transfer of Credit under Rule 54(1A) of the CGST Rules to the ISD by way of issuance of Invoice or Debit/Credit Note will be considered as "Outward Taxable Supplies"? If yes, whether the details of Taxable Value of Input Service, and tax thereon (IGST, CGST, SGST), need to be transferred to ISD, will be shown in Point (a) of Tile 3.1 of GSTR-3B.
2. If Q No.1 is Yes, and if both the Transferor and Transferee (having same PAN) are in the same State, whether IGST will be transferred as IGST or as CGST and SGST?
3. If Q No.1 is Yes, and if both the Transferor and Transferee (having same PAN) are in different states, whether CGST and SGST will be transferred as CGST and SGST or as IGST?
4. If Q No.1 is No, then how the input credit will be transferred to ISD? Specifically, where and how to show the same in GSTR-3B and GSTR-1, so that there will be proper compliance?

6. **Personal Hearing:**

The Authorised representatives of the unit namely Sri. R. Sheshagiri Rao Charter Accountant attended the personal hearing held on 07-10-2020, However, orders were not passed due to the retirement of State Member on superannuation. Further, Government of Telangana vide G.O. Rt. No. 216, Rev(CT-II) Dept, Dt.16.06.2021 have nominated Sri S.V. Kasi Visweswara Rao, Additional Commissioner (ST) as member to The Authority for Advance Ruling and hence the case was re-posted a fresh on 09.07.2021. Heard the case. The Authorized representatives of the unit namely Sri R. Srinivas, Manager, authorized representative and Smt. K. Rajani, CS & AR attended the personal hearing held on 09-07-2021. The authorized representatives reiterated their averments in the application submitted and contended as follows:

1. That they are having 3 registrations in the State of Telangana and that in one of the registrations they have made RCM transactions. That they are desirous of transferring the credit on this account to the ISD registration.
2. That they want the clarification from AAR regarding whether such transfer is possible under GST and the mechanism by which such transfer if possible. The acts under which such transaction is liable i.e., CGST, SGST & IGST.

7. **Discussion & Findings:**

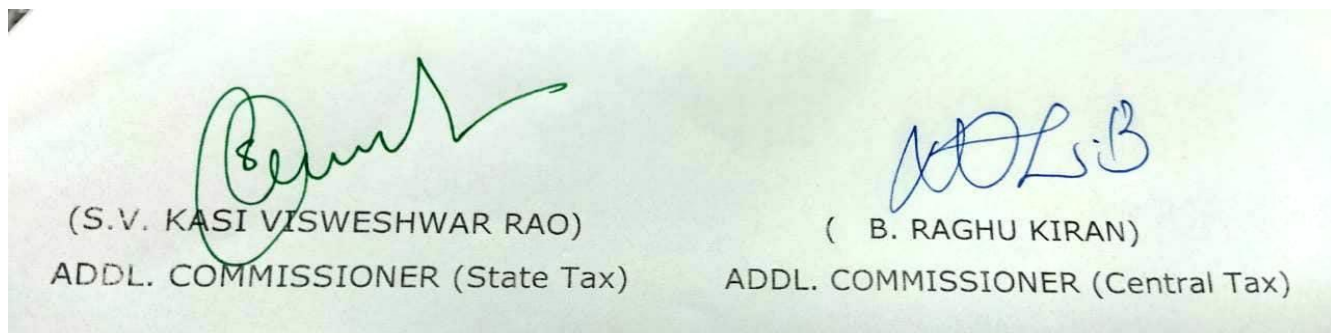
Under rule 54(1A)(a), of the CGST rules inserted vide Notification No. 3/2018 dated: 23.01.2018, a registered person having same PAN and State code and having Input Service Distributor(ISD) may issue an invoice or, a credit note or a debit note in order to transfer the credit of the common input services to the ISD. And such invoice shall contain taxable value and rate and amount of credit to be transferred. Under clause (b) of this sub rule the taxable value in such invoice shall be the same as the value of common service.

Further, under Sec 37(1) of the CGST Act, 2017 and Sec 14 of the IGST Act, 2017 read with rule 59(1) of CGST Rules, 2017 every registered person other than an ISD or Non-Resident Taxable Person (NRTP) or a person opting for composition or a person doing TDS & TCS on the supplies received shall furnish details of outward supplies in Form GSTR-1.

A combined reading of the provisions prescribed above clearly indicate that a registered person intending to transfer the credit on common input services to ISD shall file the details of such credit in Form GSTR-1. However, if an invoice is raised on an ISD with the same State code the credit of tax can be issued for CGST & SGST by utilizing the IGST credit as indicated under Sec 49 of the CGST Act, 2017.

**8. In view of the observations stated above, the following ruling is issued :  
Advance Ruling**

Question Raised	Advance Ruling Issued
1. A) Whether the Transfer of Credit under Rule 54(1A) of the CGST Rules to the ISD by way of issuance of Invoice or Debit/Credit Note will be considered as "Outward Taxable Supplies"?  B) If yes, whether the details of Taxable Value of Input Service, and tax thereon (IGST, CGST, SGST), need to be transferred to ISD, will be shown in Point (a) of Tile 3.1 of GSTR-3B.	A) Yes  B) Yes
2. If Q No.1 is Yes, and if both the Transferor and Transferee (having same PAN) are in the same State, whether IGST will be transferred as IGST or as CGST and SGS	Transfer of ITC will be in form of CGST & SGST.
3. If Q No.1 is Yes, and if both the Transferor and Transferee (having same PAN) are in different states, whether CGST and SGST will be transferred as CGST and SGST or as IGST?	Answered in Question No. 2.
4. If Q No.1 is No, then how the input credit will be transferred to ISD? Specifically, where and how to show the same in GSTR-3B and GSTR-1, so that there will be proper compliance?	Answered in Question No. 2.



(S.V. KASI VISWESHWAR RAO)  
ADDL. COMMISSIONER (State Tax)

( B. RAGHU KIRAN)  
ADDL. COMMISSIONER (Central Tax)

**[Under Section 100(1) of the CGST/TGST Act, 2017, any person aggrieved by this order can prefer an appeal before the Telangana State Appellate Authority for Advance Ruling, Hyderabad, within 30 days from the date of receipt of this Order]**

To  
M/s. Nile Limited, Plot no 24 A/A,  
MLA Colony, Road No.12, Banjarahills,  
Hyderabad- 500034 Telangana.

Copy submitted to :

1. The Commissioner (State Tax) for information.
2. The Commissioner (Central Tax), Hyderabad Commissionerate, Room No. 813, GST Bhavan, L.B. Stadium Road, Basheerbagh, Hyderabad 500 004.

Copy to:

3. The Joint Commissioner (State Tax), Punjagutta Division.  
//t.c.f.b.o//

Superintendent (Grade-I)