

**NOTIFICATION NO. 2/2019-CENTRAL TAX (RATE), DATED 7-3-2019  
[UPDATED]**

*[As Amended by, Notification No. 9/2019-Central Tax (Rate), dated 29-3-2019 and Notification No. 18/2019-Central Tax (Rate), dated 30-9-2019]*

In exercise of the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the "said Act"), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby notifies that the central tax, on the intra-State supply of goods or services or both as specified in column (1) of the Table below, shall be levied at the rate specified in the corresponding entry in column (2), subject to the conditions as specified in the corresponding entry in column (3) of the said table below, namely:—

**TABLE**

<b>Description of supply</b>	<b>Rate (per cent)</b>	<b>Conditions</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
First supplies of goods or services or both upto an aggregate turnover of fifty lakh rupees made on or after the 1st day of April in any financial year, by a registered person.	3	1. Supplies are made by a registered person, — (i) whose aggregate turnover in the preceding financial year was fifty lakh rupees or below; (ii) who is not eligible to pay tax under sub-section (1) of section 10 of the said Act; (iii) who is not engaged in making any supply which is not leviable to tax under the said Act; (iv) who is not engaged in making any inter-State outward supply; (v) who is neither a casual taxable person nor a non-resident taxable person; (vi) who is not engaged in making any supply through an electronic commerce operator who is required to collect tax at source under section 52; and (vii) who is not engaged in making supplies of the goods, the description of which is specified in column (3) of the Annexure below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said annexure.

	<p>2. Where more than one registered persons are having the same Permanent Account Number, issued under the Income-tax Act, 1961(43 of 1961), central tax on supplies by all such registered persons is paid at the rate specified in column (2) under this notification.</p> <p>3. The registered person shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.</p> <p>4. The registered person shall issue, instead of tax invoice, a bill of supply as referred to in clause (c) of sub-section (3) of section 31 of the said Act with particulars as prescribed in rule 49 of Central Goods and Services Tax Rules.</p> <p>5. The registered person shall mention the following words at the top of the bill of supply, namely: — 'Taxable person paying tax in terms of Notification No. 2/2019-Central Tax (Rate) dated 7-3-2019, not eligible to collect tax on supplies'</p> <p>6. The registered person opting to pay central tax at the rate of three per cent under this notification shall be liable to pay central tax at the rate of three per cent on all outward supplies specified in column (1) notwithstanding any other notification issued under sub-section (1) of section 9 or under section 11 of said Act.</p> <p>7. The registered person opting to pay central tax at the rate of three per cent under this notification shall be liable to pay central tax on inward supplies on which he is liable to pay tax under sub-section (3) or, as the case may be, under sub-section (4) of section 9 of said Act at the applicable rates.</p> <p><sup>1</sup>[8. Where any registered person who has availed of input tax credit opts to pay tax under this notification, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods as if the supply made under this notification attracts the provisions of section 18(4) of the said Act and the rules made thereunder and after payment of such amount, the balance of input tax credit, if any, lying in his electronic credit ledger shall lapse.]</p> <p>Explanation.—For the purposes of this notification, the expression "first supplies of goods or services or both" shall, for the purposes of determining eligibility of a person to pay tax under this notification, include the supplies from</p>
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*1 Inserted by Notification No. 9/2019-Central Tax (Rate), dated 29-3-2019, w.e.f. 1-4-2019.*

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		the first day of April of a financial year to the date from which he becomes liable for registration under the said Act but for the purpose of determination of tax payable under this notification shall not include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the Act.
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**ANNEXURE**

<b>Sl.No.</b>	<b>Tariff item, sub-heading, heading or Chapter</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala
<sup>2</sup> [2A	2202 10 10	Aerated Water]
3	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

2. In computing aggregate turnover in order to determine eligibility of a registered person to pay central tax at the rate of three per cent under this notification, value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, shall not be taken into account.

3. Explanation. —For the purpose of this notification, —

(i) "Tariff item", "sub-heading", "heading" and "chapter" shall mean respectively a tariff item, sub-heading, heading and chapters specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(ii) the rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

<sup>3</sup>[(iii) the Central Goods and Services Tax Rules, 2017, as applicable to a person paying tax under section 10 of the said Act shall, mutatis mutandis, apply to a person paying tax under this notification.]

4. This notification shall come into force on the 1st day of April, 2019.

Note: CGST (Third Removal of Difficulties) Order, 2019, dated 8-3-2019 provides that for the removal of difficulties, it is hereby clarified that provisions of clause (c) of sub-section (3) of section 31 of the CGST Act shall apply to a person paying tax under Notification No. 2/2019-Central Tax (Rate), dated 7-3-2019.

<sup>2</sup> Inserted by Notification No. 18/2019-Central Tax (Rate), dated 30-9-2019, w.e.f. 1-10-2019.

<sup>3</sup> Inserted by Notification No. 9/2019-Central Tax (Rate), dated 29-3-2019, w.e.f. 1-4-2019.