

30k top dealers generate 90% of Uttar Pradesh's GST revenue

The state has over 32 lakh registered dealers/traders, the highest number in India

Brajendra K Parashar

bkparashar@htlive.com

LUCKNOW: Uttar Pradesh now has the largest number of registered dealers/traders in India at 32 lakh but 90% of its Goods and Services Tax and Value Added Tax (VAT) revenue in 2023-24 was generated by just 30,000 top dealers, revealing a significant disparity in contribution, according to a government report.

Since the introduction of the GST regime in the country on July 1, 2017, Uttar Pradesh's GST and VAT collection has sig-

nificantly risen from Rs 70,060 crore in 2019-20, to Rs 1,10,346 crore in 2023-24, reflecting both growth and dependency on major businesses for tax revenue.

According to the recent report shared with the government by the state tax department, Uttar Pradesh is on top in India in terms of number of dealers/traders under the GST. The report puts the total number of registered dealers in the state at 32.74 lakh and the count is increasing.

"Following an awareness campaign launched July 7, 2022, under the chief minister's guidance, 3.08 lakh new traders were registered in 2023-24 and another 68,667 in the current year from April 1 to June 30," the report said.

The annual revenue collection data compiled by the tax department, however, shows

TOP 10 DEALERS IN UTTAR PRADESH	
Name	Net Tax contribution in 2023-24
● Indian Oil Corporation Ltd (Lucknow)	Rs 700.69 cr
● Larsen and Toubro (Ghaziabad)	Rs 373.92 cr
● Samsung Display (Noida)	Rs 353.16 cr
● PNC Infratech Ltd (Agra)	Rs 335.21 cr
● BSNL (Lucknow)	Rs 281.20 cr
● Reliance Retail Ltd (Lucknow)	Rs 234.05 cr
● Varun Beverages Ltd (Lucknow)	Rs 212.60 cr
● Prism Johnson Ltd (Prayagraj)	Rs 209.82 cr
● Asian Paints Ltd (Agra)	Rs 185.15 cr
● Shree Cement Ltd, Ghaziabad	Rs 162.46 cr

that as much 90% of the total over Rs 1.10 lakh crore GST and VAT came from just 30,000 big dealers with the rest of the dealers' contribution being only marginal. Oil companies happened to be the major contributors.

The report revealed that top 10 dealers contributed around 3% of the total GST-VAT to the

state exchequer. They include Indian Oil Corporation (IOC), Larsen and Toubro, Samsung Display and Bharat Sanchar Nigam Ltd (BSNL).

"Earlier, we would identify 15,000 top dealers that usually generated 80% of the total GST and VAT every year. In the last financial year, we expanded the base to 30,000 such dealers and

found that 90% of our total revenue in 2023-24 came from them only," said a senior state tax department official.

The reliance on a small number of large dealers for the bulk of GST revenue does raise questions about the efficiency and necessity of extensive tax evasion measures.

"Since these 30,000 large dealers, including reputable firms and oil companies, are already significant contributors to the tax pool, the resources spent on broadening the tax net and enforcing compliance among smaller traders might not yield proportionate returns," another official said.

"Focusing on ensuring compliance among these major contributors while streamlining processes for smaller traders could potentially enhance efficiency and reduce unnecessary expenses," he suggested.