

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

**LOK SABHA**  
**STARRED QUESTION NO. 309\***

TO BE ANSWERED ON MONDAY, THE 11<sup>th</sup> AUGUST, 2025 / SRAVANA 20, 1947 (SAKA)

**GST Notices to Small Traders/Street Vendors**

\*309. DR. K SUDHAKAR:  
SHRI TEJASVI SURYA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has issued GST notices to small traders and street vendors in the country without assessment of their business activities including Karnataka;
- (b) if so, the details thereof, State/UT-wise;
- (c) whether the Government plans/proposes to withdraw such notices and address the distress caused to such traders/vendors due to notices on UPI transactions;
- (d) whether it is true that GST evasions have been happening in Karnataka, if so, the details thereof including the total volume/number of evasions detected in the State;
- (e) whether such evasions are due to systemic flaws within the GST Department and if so, the details thereof along with the estimated loss of GST to Karnataka; and
- (f) the measures taken/to be taken by the Government to simplify GST compliance for small traders and reduce their regulatory burden?

**ANSWER**

THE MINISTER OF FINANCE  
(SMT. NIRMALA SITHARAMAN)

(a) to (f): A Statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF LOK SABHA STARRED QUESTION NO. 309\* DUE FOR ANSWER ON 11<sup>th</sup> AUGUST, 2025**

(a) to (b): No. Central GST authorities have not issued any notices based on UPI transactions.

(c): does not arise in view of the answer to (a) and (b) above.

(d): The details of GST evasion cases by the Central Tax formations pertaining to the State of Karnataka is as under:

Period	No. of cases	Detection (Rs. in Cr.)	Voluntary payment (Rs. in Cr.)	No. of persons arrested
2022-23	959	25839	1705	2
2023-24	925	7202	1197	2
2024-25	1254	39577	1623	9

(e): No.

(f): A number of measures have been taken by the Government on the recommendations of GST Council for the benefit of small business sector which includes: -

(1) For trade facilitation, small and medium enterprises are not required to obtain GST registration: -

(i) Persons involved in Intra-State taxable supply of goods, if his aggregate turnover in a financial year does not exceed Rs. 40 lakhs (Rs. 20 lakhs for certain special category states);

(ii) Persons involved in Intra-State or Inter-State taxable supply of Services, if his aggregate turnover in a financial year does not exceed Rs. 20 lakhs (Rs. 10 lakhs for certain special category states)

(2) Composition levy scheme in GST is an alternate method of levy of tax designed for small and medium taxpayers whose turnover is up to the prescribed limit. A uniform rate of tax @1% (0.5% under the CGST Act and 0.5% under the respective SGST Act) is payable on supplies by traders of goods and manufacturers of goods and 2.5% under each Act for supplies by restaurants.

(3) All eligible registered person having annual turnover up to Rs. 5 crores in the preceding financial year may opt for filing of quarterly returns with monthly payment of tax.

(4) Filing of Annual Returns for FY 2017-18 to FY 2023-24 have been made optional for small taxpayers with annual turnover of up to Rs. 2 crores.

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