$~71 and 81

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\# **CNR No. DLHC010392522026**

\+ W.P.(C) 12210/2026 and CM APPL. 56533/2026

NEHA .....Petitioner

Through: Mr. Manoj Kumar, Mr. Ankit Singh, Mr. Vaibhav Bhardwaj, Mr. Chanderpal, Mr. Nikhil Pramod, Mr. Animesh Gaur and Ms. Satya Shruti, Advs.

versus

UNION OF INDIA & ORS. .....Respondents

Through: Mr. Sumit K. Batra and Ms. Priyanka Jindal, Advocates
Ms. Radhika Arora, CGSC with Ms. Disha Choudhary, GP (UOI)
Mr. Ankit Raj, SC with Mr. Saurabh Mishra & Mr. Digvijay Singh, Advs.
Ms. Radhika Bishwajit Dubey, CGSC, Ms. Disha Chaudhary, GP with Ms. Gurleen Kaur Waraich, Mr. Kritarth Upadhyay, Mr. Vivek Sharma, Mr. Amulya Dev Mishra, Mr. Saksham Sharma, with Mr. Virender Kalyan, ACP, Mr. Ramkesh, Insp., Mr. Navneen Kumar, S.I.
Mr. Shubham Tyagi, SSC CBIC with Ms. Navruti Ojha, Adv.

(81)

\# **CNR No. DLHC010202192026**

\+ W.P.(C) 6218/2026 and CM APPL. 30487/2026

VIKRAM KAUSHAL .....Petitioner

Through: Counsel (Appearance not given).

versus

1. DIRECTOR GENERAL OF INCOME TAX (INVESTIGATION) & ORS. .....Respondents

Through: Mr Gaurav Gupta, SSC, Mr Shivendra Singh, JSC, Mr Yojit Pareek, JSC and Mr Surya Jindal, Adv.
Mr. Pradeep Bhatia, Adv.

CORAM:
HON'BLE MR. JUSTICE ANIL KSHETARPAL
HON'BLE MS. JUSTICE SHAIL JAIN

ORDER

% **08.09.2026**

1. On 01.09.2026, the following Order was passed:

> ***CM APPL. 56533/2026 in W.P.(C) 12210/2026 (exemption)***
>
> *1. Allowed subject to all just exceptions. Accordingly, the application is disposed of.*
>
> ***W.P.(C) 6218/2026 & W.P.(C) 12210/2026***
>
> *2. On 21.08.2026, the following order was passed :*
>
> > *"1. This is the second case where the Petitioner alleges fraudulent GST registration by some other person by using the PAN Card and Aadhar Card numbers of the Petitioner. One such case, viz,* ***W.P.(C) 6218/2026*** *came up for hearing on 20.08.2026 and it has been adjourned to 01.09.2026.*
> >
> > *2. If the allegations of the Petitioner are to be accepted, there are rampant fraudulent GST Registration(s) in the name of innocent persons and pursuant to which huge liability is created thereafter.*
> >
> > *3. Keeping the gravity of the situation in view, Mr. Tarun Gulati, learned Sr. Counsel, who normally represents assessees before this court is requested to assist the Court. The request of the Court has been accepted. He has*

*assured to file a note '**suggesting ways and means to curb such practices'**.*

4. Notice be issued to the Commissioner of Delhi Police. Learned Counsel Ms. Radhika Bishwajit Dubey, who is present in the Court, accepts notice on behalf of Respondent No. 5 i.e.Commissioner of Delhi Police.

5. List on 01.09.2026 in the Supplementary List."

3. In compliance with the aforesaid order, Mr. Tarun Gulati, learned Senior Counsel, has placed on record certain suggestions, apart from the instructions issued by the concerned authorities from time to time, for curbing the misuse of PAN Card and Aadhaar Card particulars of innocent persons for obtaining fraudulent GST registrations. The suggestions placed before the Court read as under:

SUGGESTED WAYS AND MEANS

i. In compliance with the order dated 2108 2026 passed by this Hon'ble Court, the following ways and means may be considered to curb the practices of misuse of the PAN Card and Aadhaar Card of innocent persons to obtain fraudulent GST

During the registration process, facial recognition of the applicant with the Aadhaar database should be made mandatory for all registrations

ii. A video-based verification of the PAN and Aadhaar should be made mandatory by requiring the applicant to upload a 20-30 seconds video in which he/she shows his/her face along with the original PAN card and Aadhaar card before the camera. holding cach document for a minimum of 5 seconds. Further, the applicant should the required to read aloud a system-

generated prompt containing his her name or other relevant details, along with a unique code generated by the common portal similar to the process followed for DSC registration by e-Mudhra.

iii. The IP address and device location used at the time of filing the application should he recented and preserved by the GST cooumon portal as well as the jurisdictional authority sanctioning the application and granting GST registration, so that such data will be readily available for reference in the event a dispute subsequently arises as to the identity of the person who filed the application.

iv Mandatory physical verification of the proposed principal place of business should se undertakut by the GST Department prior to the grant of registration, rather than sich verification being confined to cases flagged as high-risk by the existing risk-unalytics engine. Or, in the alternative, random physical inspections of the principal place of business of randomly selected GST registrations should be undertaken by the GST Department on a bi-annual basis, based on a risk evaluation system.

v. Real time sharing of data with Income Tax Department which shall also in real sime send a message and email to the PAN holder that his/her PAN has been used for GST registration. A system should be developed to validate data and cross check it with the l'orm 26AS/Form 168 generated for the taxpayer.

vi. For a sudden and significant increase in turnover, the system should flag the *registration under the potentially suspected category.*

vii. Real-time cross check with the Aadhaar holder confirming that the applicant has actual knowledge of the business/ PPOB being registered under his Aadhaar.

viii. Sending of message to Digilocker [if available] informing that the PAN/Aadhaar number has been used for GST registration and obtaining consent-confirmation.

ix. Directorate General of Analytics and Risk Management (i.e., DGARM) can create a specific PAN-Aadhaar-mismatch and "first time use of PAN/Aadhaar for GST" risk parameter.

x. While applying for a GSTIN, the applicant may be required to nominate one or more identifiable persons such as business associates, employees, partners, or family members who can corroborate the applicant's identity and the existence of the proposed business.

4. It is not disputed by learned counsel appearing for the Respondents that the problem of obtaining fraudulent GST registrations by using the PAN Card and Aadhaar Card numbers of innocent citizens has been rampant since the enforcement of the CGST Act, 2017. Nearly nine years have elapsed; however, the Respondents have failed to curb these malpractices, which not only affect citizens who have nothing to do with such GST registrations, but also result in huge loss to the Government.

5. Pursuant to the order passed on 21.08.2026, the Commissioner of Delhi Police has deputed Mr. Rajesh Kumar, SI, to assist the Court. While the deputation of an officer by the Commissioner of Delhi Police shows the seriousness on the part of the Delhi Police, it is a matter of concern that, when

> *asked, the officer was not aware of the problem or the issue involved in these cases.*
> *6. Keeping in view the aforesaid position, a last opportunity is granted to the Respondents, namely, the Commissioner, CGST, the Commissioner, DGST and the Commissioner of Delhi Police, to find an effective solution to the problem. Failing this, this Court shall be left with no choice but to pass appropriate and effective orders in the matter.*
> *7. List on 08.09.2026 in the Supplementary List.*

2. Though no response has been uploaded. However, during the course of hearing, Written Submissions on behalf of Respondents No. 1, 2, 4 and Commissioner (Department of Trade and Taxes) along with a Status Report by Delhi Police has been produced.

3. As per the Written Submissions filed by the respondent No. 1, 2 and 4, biometric based AADHAR Authentication is carried out only if the system identifies the case as **'risky'** on the basis of various parameters and data analytics.

4. Along with the affidavit Annexure G has been filed wherein the Minister of State in the Ministry Of Finance, while answering the question on fraudulent GST Registration has disclosed in the Rajya Sabha that in the year 2023-2024, there were 2800 fraudulent GST Registrations obtained by using stolen or frozen PAN/ AADHAR details involving detection of Rs.15,085 Crores of tax evasion.

5. In the year 2024-2025, the number of fraudulent GST Registrations were 1654 and tax evasion of Rs.13109 Crores was detected. It was disclosed that biometric AADHAR based authentication has been made mandatory for the GST Registration.

6. It appears that despite passage of more than one year, the statement given by the minister on the floor of the house has not been

fully implemented, resulting in continuous fake GST Registration obtained using stolen or frozen PAN/ AADHAR details.

7. At the first instance, this Court is compelled to request the competent authorities to rise to the situation, which is resulting in the loss of revenue to the government and harassment of innocents. The authorities are expected to take up the matter with all seriousness.

8. Learned counsel representing the respondents have failed to draw the attention of the court to any difficulty in mandating the biometric based AADHAR authentication of the GST Registration. Hence, for the time being, **directions are issued to all the authorities across the country not to allow any GST Registration without biometric based AADHAR authentication henceforth.** Liberty is granted to the authorities to file objections qua any practical difficulty in its implementation.

9. The authorities are also expected to examine the suggestions given by Sh. Tarun Gulati, learned Senior Counsel, which have been reproduced in paragraph 3 of the Order dated 01.09.2026 of this court.

10. List for further consideration on 22.09.2026 in the supplementary list.

11. A photocopy of the Order passed today be kept in the connected matter.

ANIL KSHETARPAL, J.

SHAIL JAIN, J.

SEPTEMBER 8, 2026/PT/HP