

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UN-STARRED QUESTION NO. 2451
TO BE ANSWERED ON MONDAY, DECEMBER 15, 2025/
AGRAHAYANA 24, 1947 (SAKA)**

“FRAUDULENT GST REGISTRATIONS USING FORGED PAN AND AADHAAR CREDENTIALS”

2451. Shri Maddila Gurumoorthy:

Will the Minister of FINANCE be pleased to state:

- (a) the number of Fraudulent GST Registration using forged PAN and Aadhaar credentials during the last two years;
- (b) the total number of such fake registrations identified and the estimated tax evasion involved;
- (c) whether the Government has conducted any nationwide verification or audit to detect the misuse of personal credentials for fake billing activities;
- (d) the measures being taken by the Government to strengthen the verification process and prevent such fraudulent GST registrations in future; and
- (e) whether any arrests, prosecutions or convictions have taken place in connection with these fraudulent activities and if not, the reasons therefor and the steps proposed to fix accountability?

**ANSWER
MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) and (b): The details of the fraudulent registrations identified using forged PAN and Aadhaar credentials and estimated tax evasion are as tabulated below.

Period	No. of fraudulent registrations using forged PAN and Aadhaar credentials identified	Estimated tax evasion involved (Rs. in Cr.)
2023-24	5699	15085
2024-25	3977	13109
2025-26 (upto October 25)	489	3013

(c) and (d): The details of drives conducted and measures taken by the Government to prevent misuse of personal credentials for GST registration and fake billing activities are as under:

(i) Two special drives, respectively for the period 16.05.2023 to 14.08.2023 and 16.08.2024 to 30.10.2024, were launched on all India basis, both by Central as well as State tax administrations, for a concerted and coordinated action against fake registrations and fraudulent passing of ITC. The drive against non-existent/ fake registrations involved physical verification of the business premises of the taxpayers by duly constituted teams of tax officials. During this special drive non-existent GSTINs were identified and suspended/cancelled.

(ii) Biometric-based Aadhaar authentication, driven by data analytics and risk-based parameters, has been implemented for processing GST registration applications throughout the country;

(iii) All registration applications are assigned a risk rating by the system based on data analytics and risk parameters. These ratings are made available to the field formations of CBIC to enable them to conduct proper verification and further processing of applications;

(iv) The requirement for geo-tagging the place of business of the applicant for new registrations has been provided on the portal. This helps in risk assessment and in identifying suspicious applicants/taxpayers;

(v) The furnishing of bank account details as part of the registration process is mandatory. The account must be in the name of the registered person, obtained on the Permanent Account Number (PAN) of the registered person and in the case of a proprietorship firm, linked with Aadhaar. Further, bank account details must be furnished within 30 days of the grant of registration or before filing the statement of outward supplies, whichever is earlier;

(vi) Provision has been made for system-based suspension of the registration of persons who fail to furnish valid bank account details within the prescribed time;

(vii) System-based suspension of registrations is carried out on the portal in cases where returns have not been filed for six months;

(viii) To ensure that fake registrations are not granted, the authenticity of the documents furnished as proof of address is cross-verified from publicly available sources, such as the websites of the concerned authorities, land registries, electricity distribution companies, municipalities, and local bodies;

(ix) Directorate General of Analytics and Risk Management (DGARM) has initiated an exercise to identify anomalies in digital information provided by the proprietorship firms at the time of GST registration. GST registrations are identified, shortlisted wherein misuse of individual credentials like PAN is suspected. These suspect GSTINs are shared with field formations for appropriate verification. In addition, DGARM also focuses on the identification of the risky taxpayers solely created for fake/bogus invoicing and passing on ineligible ITC in the supply chain.

(e): The details of arrests and prosecution are as under:

Period	No. of persons arrested	Prosecutions launched
2023-24	67	53
2024-25	50	33
2025-26 (upto October 2025)	16	8
