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

\# **CNR No. DLHC010392522026**

\+ W.P.(C) 12210/2026

NEHA .....Petitioner

Through: Mr. Manoj Kumar, Mr. Ankit Singh, Mr. Vaibhav Bhardwaj and Ms. Satya Shruti Advs.

versus

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

Through: Ms. Radhika Arora, CGSC along with Ms. Disha Choudhary, GP for R-1&5. Mr. Ankit Raj, Standing Counsel for PNB and Mr. Digvijay Singh, Advs. for R-6.
Mr. Shubham Tyagi, SSC, CBIC with, Ms. Navruti Ojha and Mr. Raman Goyal, Advs.

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\# **CNR No. DLHC010202192026**

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

VIKRAM KAUSHAL .....Petitioner

Through: Mr. Kunal Sharma and Ms. Rishika Goyal, Advs.

versus

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

Through: Mr. Pradeep Bhatia, AR for R-2.

CORAM:
HON'BLE MR. JUSTICE ANIL KSHETARPAL
HON'BLE MS. JUSTICE SHAIL JAIN (THROUGH VC)

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O R D E R

% **01.09.2026**

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. 5i.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

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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

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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

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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,

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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.

ANIL KSHETARPAL, J

SHAIL JAIN, J

SEPTEMBER 1, 2026/*kp/rm*

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