

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UN-STARRED QUESTION NO. 3952
TO BE ANSWERED ON MONDAY, AUGUST 18, 2025/27 SRAVANA 1947 (SAKA)**

“FRAUDULENT GST REGISTRATION”

3952. Shri Sasikanth Senthil:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of fraudulent Goods and Services Tax (GST) registrations obtained using forged or stolen PAN and Aadhaar credentials and if so, the nature and scale of such cases reported during the last two years;
- (b) the number of fake GST registrations identified and the total tax evasion linked to these cases;
- (c) the measures being implemented by the Government to strengthen verification protocols and prevent the misuse of individual credentials for GST registration and fake billing activities; and
- (d) whether any arrests, prosecutions or convictions have taken place in connection with such fraudulent activities during the last two years and if so, the details thereof?

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

(a): Yes. Cases have been detected where fraudulent Goods and Services Tax (GST) registrations have been obtained using forged or stolen PAN and Aadhaar credentials, resulting into fake/bogus invoicing and passing of ineligible Input Tax Credit, thereby evading GST. The details are as tabulated below.

(b): The details of the cases booked by Central Tax formations are as under:

Period	No. of cases of Fraudulent GST registrations obtained by using stolen or forged PAN/AADHAAR details of other people	No. of fake firms identified in such cases	Detection (₹ in crores)
2023-24	2800	5699	15085
2024-25	1654	3977	13109

(c): Following measures have been implemented by the Government to prevent misuse of individual credentials for GST registration and fake billing activities:

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

(ii) 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;

(iii) 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;

(iv) 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;

(v) 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;

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

(vii) 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;

(viii) 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;

(ix) To weed out fake/bogus registrations, two special drives against fake Input Tax Credit and fake registrations were launched during the Financial Year 2023-24 and 2024-25 in coordination between the State and Central GST administrations.

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

Period	No. of persons arrested	Prosecutions launched
2023-24	67	53
2024-25	50	33
