



\$~19

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

+ **W.P.(C) 9469/2019**

BHUPINDER KUMAR

..... Petitioner

Through: **Mr. Balwant Singh, Advocate with
the petitioner in person.**

versus

**DEPARTMENT OF GST AND CENTRAL EXCISE
AND ANR.**

..... Respondents

Through: **Mr. Atul Tripathi, Senior Standing
Counsel with Mr. V. K. Khatri,
Advocate for R-1.
Mr. Sanjeev Uniyal, Mr. Dhawal
Uniyal and Ms. Ritagya Mishra,
Advocates for R-3.**

CORAM:

HON'BLE DR. JUSTICE SUDHIR KUMAR JAIN

ORDER

15.02.2024

%

1. The present petition is filed under Article 226 of the Constitution for issuance of directions from the respondents to release the reward to the petitioner being the informer as per the guidelines issued by the government for grant of rewards to the informers. The petitioner has made the following prayer:-

- a) **Issue a writ of mandamus or any other writ, order or direction in the nature of mandamus, giving directions to the Respondents to release the reward amount which the Petitioner is entitled to as per the Guidelines laid down by the Department of Revenue.**
- b) **Pass any other or further orders that this Hon'ble Court may deem fit in the facts and circumstances of the case.**

2. The petitioner stated that the respondent has failed to disburse the rewards to the petitioner for providing information for the evasion of the service tax by the following entities:-



- a) M/s Ginni Cable & Industries, Malka Ganj, New Delhi.
- b) Gurmeet Tent & Caterers Pvt. Ltd., Karkardooma.
- c) M/s Success Mantra Coaching Centre, Nirman Vihar, New Delhi.
- d) Bentex.
- e) Dewan Sahib.
- f) Jaggi Enterprise.
- g) M/s Cipla Industries (P) Ltd.
- h) M/s Mahindra Manufacturing Co.
- i) Big Brother Designer Pvt. Ltd.

3. The respondent filed the counter affidavit wherein para no. 6 has given the details of the proceedings pending against the entities as mentioned by the petitioner and the entitlement of the petitioner to take the reward as per the existing guidelines and in accordance with the judgment delivered by the Supreme Court in **Union of India V C. Krishna Reddy** (2004) 163 ELT 4. Para no. 6 of the counter affidavit is reproduced as under:-

That without prejudice to above it is submitted that in the present petition the Petitioner has prayed for payment of reward for information allegedly given against 9 entities. However, the Petitioner had merely mentioned the names of the entities/companies without giving required details. However, based on the limited information available in the petition the Respondent gathered information from different jurisdictions. The entity/ case wise status are as follows:

a) **M/s Ginni Cable & Industries, Malkaganj, New Delhi: The information received from the Petitioner is not eligible for consideration of reward at this stage as the Show Cause Notice is pending for adjudication. As per para 7.1 of Guidelines for grant of reward to informers and Government Servants, 2015 issued vide CBIC Circular No. 20/2015 F. No. 13011/001/2013-Cus (AS) dated 31.07.2015 is as under:**



"7.1 Final rewards, both to Government Servants as well as informers, should be sanctioned and disbursed only after conclusion of adjudication/appeal/revision proceedings, as well as closure of proceedings mentioned at para 6.5"

b) Gurmeet Tent and Caterer Pvt. Ltd., Karkardooma: The case has not been found suitable for reward in terms of para 3.3.1 of guidelines for grant of reward to Informers and Govt. Servants, 2015 as the information was not accurate and the amount recovered was different issue. Para 3.3.1 of guidelines CBIC Circular No. 20/2015 F. No. 13011/001/2013- Cus (AS) dated 31.07.2015 is as under:

"3.3.1 In cases of collection of information intelligence, in respect of cases of seizure made out/or infringements/evasion of duty/service tax etc:- The specificity and accuracy of the information, the risk and trouble undertaken, the extent and nature of the help rendered by the informer, whether information gives clues to persons involved in smuggling, infringements, evasion of duty, service tax or their associates etc., the risk involved for the Government Servants in working out the case, the difficulty in securing the information, the extent to which the vigilance of the staff led to the seizure, detection of infringements/evasion of duty/service tax, special initiative, efforts and skills/ingenuity displayed leading to the recovery of Government dues during the course of investigation admitting their liability by way of voluntary deposit and whether, besides the seizure of contraband goods /detection of infringements/evasion of duty/service tax, the owners/organizers/ financiers/racketeers as well as the carriers have been apprehended or not. The reward has to be case specific and not to be extended, in respect of other cases made elsewhere/against other parties on the basis of a similar modus operandi. However, the Government Servants will be entitled for reward as per the normal guidelines when they book a case in their jurisdiction on the basis of modus operandi circulars issued by the Board/DRI/DGCEI."

c) M/s Success Mantra Educational Services (mentioned as 'Success Mantra Coaching Centre, Nirman



Vihar, New Delhi' in the Petition): As per records of the case, the same was not based on information received by the informer. Therefore, there is no question of reward in this case.

d), (e) & (f) : Bentex, Dewan Sahib and Jaggi Enterprises : Addresses of the entities namely 'Bentex', 'Dewan Sahib' and 'Jaggi Enterprises' have also not been specified by the informer in writ petition and therefore, the jurisdictional Commissionerates of these entities cannot be ascertained.

g) M/s Cipla Industries (P) Ltd. (mentioned as 'Cipla Company' in the Petition): The recovery proceedings have not been completed. Therefore in terms of the Reward Guidelines, the case is not ripe for disbursal of reward to the informer in terms of para 7.1 (*already mentioned hereinabove*) of the Guidelines for grant of reward to Informers and Govt. Servants, 2015.

h) M/s Mahindra Manufacturing Co. (mentioned as Mahindra Cooker in the Petition): The case was remanded back by CESTAT vide Final Order No. 58311-58314/2017 dated 07.12.2017 to original Adjudicating Authority. The Adjudicating Authority confirmed the demand. Since appeal is not over, proceedings are yet to be closed. Thus the petitioner is not eligible for consideration of reward at this stage in terms of para 7.1 (*already mentioned hereinabove*) of the Guidelines for grant of reward to Informers and Govt. Servants, 2015.

i) Big Brother Designer Private Limited: Reward to informer in this case has been sanctioned as per CBIC reward guidelines and the department has initiated the reward disbursal procedure.

4. Mr. Atul Tripathi, Senior Standing Counsel for the respondent on taking information from the concerned department stated that the petitioner has already been given award of Rs.2 lakhs in case of Cipla Industries Private Limited and an award of Rs.1 lakh in case of Big Brother Designer



Pvt. Ltd. He further stated that the petitioner shall be awarded suitably in accordance with the Rules and Regulations and particularly in the light of judgment as cited hereinabove.

5. The counsel for the petitioner stated that as the petitioner has already received the reward being informer as stated by the Standing Counsel for the respondent, the present petition be disposed of with the direction to the respondent to release the reward in accordance with the existing Rules, Regulations and Guidelines and view of the judgment as stated hereinabove.

6. Accordingly, the present petition is disposed of with the direction to the respondents to release the reward in case of any information given by the petitioner regarding the evasion of GST as per the existing guidelines and in view of the judgment passed by the Supreme Court in **Union of India V C. Krishna Reddy** (2004) 163 ELT 4.

7. The respondent is expected to take appropriate action on the basis of information given by the petitioner regarding the evasion of service tax in accordance with the Rules and Regulations and in view of the guidelines laid down in Supreme Court in **Union of India V C. Krishna Reddy** (2004) 163 ELT 4 judgment.

8. The present petition stands disposed of.

DR. SUDHIR KUMAR JAIN, J

FEBRUARY 15, 2024

sk/ak