IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP-30658-2019 (O&M)
Date of Decision:23.10.2019

Gurdeep Singh ... Petitioner

Versus

State of Punjab & others ... Respondents

CORAM:- HON'BLE MR.JUSTICE TEJINDER SINGH DHINDSA.

Present:- Mr. Sanjeev Manhas, Advocate for the petitioner.

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<u>TEJINDER SINGH DHINDSA, J. (ORAL)</u>

The instant writ petition is directed against the order dated 20.08.2018 (Annexure P-9) wherein the claim of the petitioner for grant of reward under a Reward Scheme dated 21.09.2010 (Annexure P-2) in the capacity of an informant has been declined.

Counsel would contend that the petitioner herein had furnished information to the appropriate authority and in pursuance to which the concerned officials under the Excise and Taxation Department, State of Punjab had proceeded resulting imposition of tax and penalty amounting to Rs.11,80,151/- upon M/s M.G.V. Jain Jewellers Private Limited, Ludhiana. It is argued that in the impugned order itself, the respondent/authorities have admitted that the petitioner was an informant and under such circumstances denial of reward envisaged under the Reward Scheme is patently unfair and unjust. Reliance has also been placed upon documents placed on record at Annexure P-10, whereby on an earlier occasion, a reward amount of Rs.1,42,540/- had been released to the petitioner upon information having been furnished to the Excise and Taxation Commissioner, Patiala, Punjab.

Counsel for the petitioner has been heard and pleadings on record have been perused.

Needless to observe that the validity of the impugned order has to be examined against the terms and conditions contained in the Reward Scheme formulated by the respondent/authorities dated 21.09.2010 at Annexure P-2.

Para 8 of the Reward Scheme would be relevant to the issue at hand and the same is reproduced hereunder:

> ***"8. REWARD TO INFORMER***
>
> ***GUIDELINES FOR RECEIVING INFORMATION***
>
> *i) The information received should be brought in writing by the informer. To ensure the authenticity of the information the informer may be asked to give information supported by some documentary evidence.*
>
> *ii) Information can be received by an officer not below the rank of Assistant Excise & Taxation Commissioner or Joint Secretary, Department of Excise and Taxation at Government level.*
>
> *iii) The informer should confirm that he has not offered the same information to any other officer.*
>
> *iv) No reward shall be granted to the informer if the information furnished is vague and of general nature, nor shall any reward be granted in respect of any incidental benefits which may arise to revenue in other cases.*
>
> ***8.2 UNDERTAKING BY THE INFORMER.***
>
> *At the time when an informer furnishes any information or documents, an undertaking should be taken from the informer that he/she is aware that the extent of the reward depends on the precision of the information furnished by him/her, that the*

provisions of Section 82 of the Indian Penal code have been read by and/or explained to him/her; that he/she is aware that if the information furnished is found to be false; that he/she would be liable to prosecution; that he/she accepts that the Govt. if under no obligation to enter into any correspondence regarding the details of seizures made etc., if any, and that the payment of reward is ex-gratia in the absolute discretion of the authority competent to grant reward. It may also be made specifically clear to the informer that the Govt. is under no obligation to grant/sanction the maximum admissible reward and/or the amount of additional tax/penalty/fine recovered and that the amount of reward to be sanctioned to the informer,w ill purely depend on the specificity & accuracy of the information & other dependent factors, as indicated in Para 6.1 of these guidelines.

8.3 ELIGIBILITY OF THE INFORMER FOR REWARD

i) In the cases where inspection is undertaken on the basis of written information furnished by the informer and as a result a minimum tax-evasion is Rs.10 lac is detected and collected, the informer shall be eligible for reward. The amount of reward shall be up to 10% of the additional tax demand raised and collected.

ii) In the case of motor-vehicles carrying unauthorized goods which are detained by the department on the basis of written information supplied by the informer, a tax-evasion/penalty of Rs.5 lac or above is imposed and collected and the identity of the owner of the goods is disclosed in such cases, the informer shall be eligible for reward. The parameters mentioned in Para 3.2 shall reply. The amount of reward shall be up to 10% of the additional tax demand raised and collected.

iii) In the cases of motor-vehicles carrying unauthorized goods which are detained by the department on the basis of written information supplied by the informer, but despite best efforts, the identity of the actual owner of the goods is not disclosed by *either the driver, transporter or the informer, the informer shall be eligible for reward only if the amount of tax/penalty imposed and collected is Rs.10 lac or more. The amount of reward shall be up to 5% of the additional tax/penalty demand raised and collected.*

iv) The amount on which additional tax/penalty demand has been raised has been collected and has achieved finality in the appellate and revisionary proceedings."

A bare reading of Clause 8 reproduced herein above would bring out certain pre-requisites and only upon fulfilling the same, would an informant be eligible to get the cash reward under the Reward Scheme. Such pre-requisites may be culled out as follows:

(i) The information has to be furnished in writing by the informer.

(ii) Information has to be furnished to an officer not below the rank of Assistant Excise and Taxation Commissioner or Joint Secretary, Department of Excise and Taxation at the government level.

(iii) Informer has to confirm that he has not offered the same information to any other officer.

(iv) In case the information furnished is vague and general in nature, the informant would not be eligible for any reward.

(v) An informer at the stage of furnishing any information or document has to submit an undertaking that he is aware that the extent of the reward depends on the precision of the information furnished by him and that the provisions of Section 82 IPC have been read and have been explained to him and further that he is aware that if the information furnished is found to be false then he would be liable to prosecution.

Adverting back to the facts of the present case, the information furnished by the petitioner on 06.02.2014 to the Assistant Excise and Taxation Commissioner, Mobile Wing, Ludhiana was in the following terms:

> *"To*
>
> *The Assistant Excise and Taxation Commissioner,*
> *Mobile Wing, Ludhiana.*
>
> *Subject: Regarding tax evasion upon the unbilled gold and silver ornament.*
>
> *Respected Sir,*
>
> *It is submitted that from last couple of years, some businessmen, who deals with gold and silver ornaments are supplying ornament to the goldsmiths shop situated in the cities at Ludhiana, Moga and Jagraon, due to this, they are evading government tax worth of Rs in Lakhs. It is requested that strict action be taken against these businessmen, who deals with gold ornaments and while seizing their gold a due fine/finality be recovered from them.*
>
> *Dated: 6-2-2014 Yours faithfully,*
>
> *Sd/-*
>
> *Gurdeep Singh Son of Sh. Amar Singh*
> *Ward No.23, House No.112,*
> *Mistrianwali Gali Old Moga,*
> *9814648165."*

This Court would have no hesitation in observing that the information furnished by the petitioner was general in nature apart from being vague. The same reasoning has been adopted even by the respondent/ authorities in the impugned order while declining his claim for the reward money.

That apart, on a specific query having been put to counsel, it stands conceded that the petitioner had at no stage confirmed that he had not offered the same information to any other officer and furthermore even the undertaking as per requirement in para 8.2 of the Reward Scheme had also not been submitted.

The petitioner having not satisfied the conditions under the Reward Scheme dated 21.09.2010 (Annexure P-2), no infirmity can be found in the order dated 20.08.2018 (Annexure P-9) denying to him the reward money.

The assertion made on behalf of the petitioner that on an earlier occasion a reward amount of Rs.1,42,540/- had been made over to him vide Annexure P-10 would have no bearing insofar as the impugned order is concerned.

The reasoning adopted by the competent authority while passing the impugned order is valid, cogent as also upon due appreciation and by applying the provisions contained in the Reward Scheme itself.

There is no merit in the instant writ petition.

Dismissed.

23.10.2019 **(TEJINDER SINGH DHINDSA)**
harjeet **JUDGE**

i) Whether speaking/reasoned? Yes/No

ii) Whether reportable? Yes/No