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

% *Decision delivered on: 15.09.2022*

\+ **W.P.(C) 13654/2019**

X ......Petitioner

Through: Mr Harshit Jain, Mr Onkar Nath Roy and Mr Prakhar Sharma, Advs.

versus

UNION OF INDIA & ANR. ......Respondents

Through: Mr Satish Aggarwala, Sr. Standing Counsel with Mr Gagan Vaswani, Adv. for R-2/DGGI.

CORAM:
HON'BLE MR. JUSTICE RAJIV SHAKDHER
HON'BLE MS. JUSTICE TARA VITASTA GANJU
[**Physical Court hearing/ Hybrid hearing (as per request)**]

RAJIV SHAKDHER, J. (ORAL):

1. Via this writ petition, the petitioner seeks enhancement in the monetary reward granted to him in lieu of information furnished by him, which led to recovery of central excise duty from an entity going by the name M/s Lok Nath Prasad Gupta (LNPG).

2. Admittedly, the petitioner received the award as per the guidelines formulated for that purpose, in two tranches.

2.1 First time around, the petitioner received Rs.50,00,000/- and thereafter, by way of second tranche he was paid Rs.4.50 crores pursuant to a decision taken by the reward-committee constituted for this purpose.

2.2 The said sum was sanctioned on 02.03.2016, by a committee consisting of Director General, DGCEI; DG, DRI and the Chief Commissioner of Central Excise, Delhi Zone.

3. Admittedly, the amount paid to the petitioner by way of award is about 5% of the amount recovered by the department/revenue, by way of central excise duty and penalty.

4. The total amount that the department/revenue appears to have recovered is approximately Rs.97.43 crores.

4.1 The petitioner, at one stage, made a claim that he should have been paid 20% of that amount i.e., Rs.19.48 crores.

5. The petitioner, it appears, scaled down his demand, and made representations to the department/revenue, broadly to the effect, that since in other cases, 10-15% of the amount realized had been paid, the amount awarded to him was abysmally low.

6. Mr Satish Aggarwala, who appears on behalf of respondent no.2, as ordered by a coordinate bench on 08.01.2020, has placeda photocopy of the record before us, although ordinarily, the department/revenue should have placed the original file before us.

7. Be that as it may, there is no dispute, that raids were conducted on LNPG on 31.05.2005, pursuant to information furnished by the petitioner concerning that said entity. Resultantly, a show-cause notice dated 26.05.2006 was served on LNPG.

8. The record also shows, that, in and about 15.02.2007, LNPG moved the Customs and Central Excise Settlement Commission [in short "Settlement Commission"] for resolving their issues outstanding issues with the central excise authorities.

8.1 The Settlement Commission passed an order on the application of the

LNPG on 29.02.2008. This order was corrected *via* order dated 28.03.2008.

9. As noted above, Rs.5 crores was paid as reward to the petitioner, on 02.03.2016 based on a percentage of the amount recovered by the central excise authorities.

10. Mr Harshit Jain, who appears on behalf of the petitioner, does not dispute the fact that there is an element of discretion vested in the authorities, insofar as payment of award is concerned, under the guidelines prevalent at that time.

11. We have asked Mr Jain, as to which guidelines were operational at the time when the application for granting reward was made by the petitioner.

11.1 Mr Jain has referred us to the circular dated 31.07.2015.

11.2 Upon being queried as to the date when the application was moved, Mr Jain was unable to furnish any answer.

12. On the other hand, Mr Satish Aggarwala has referred to us the judgment of the Supreme Court passed in ***Union of India & Ors v. C. Krishna Reddy***, (2003) 12 SCC 627 which adverts to guidelines dated 30.03.1985.

13. To our minds, the guideline dated 31.07.2015, perhaps, may not be the applicable guideline for the reason that the Settlement Commission passed an order in 2008.

14. The recovery, quite logically, would have been made by the department/revenue in and about 2008, triggering the guidelines that were prevailing at that point in time for grant of reward.

15. In any event, it is not the case of the petitioner, that there was no discretion vested in the department/revenue as to the amounts which could have been awarded.

16. Even according to Mr Jain, the maximum limit prescribed was up to 20% of the recovered amount.

17. In the instant case, as adverted to above, the petitioner has been awarded an amount equivalent to approximately 5%.

18. The argument advanced by Mr Jain, that in other cases, amounts awarded ranged between 10-15%, in our opinion, is untenable for two reasons.

18.1 First, the discretion in this behalf i.e., the amount to be awarded vests in the concerned authority.

18.2 Second, it is for the concerned authority to weigh the usefulness of the information furnished by the informant (i.e., the petitioner in this case) and accordingly employ its discretion in the matter.

19. While we appreciate the submission advanced by Mr Jain, that the discretion employed in such like cases cannot operate like the Chancellor's foot, the power is hemmed in by two guiding factors: first usefulness and second, the specificity of the information furnished by the informant.

20. These are calls in the natural order things which only the concerned authority can take. In this case, the concerned authority has taken such a call, which, in our view, does not call for any interference as nothing has been placed before us which would demonstrate that direction exercised is flawed.

21. We may end by noting that MrAggarwala is right in his contention, that similar observations have been made by the Supreme Court in ***C. Krishna Reddy***. [See paragraphs 11 and 12 of the said judgment.]

22. In view of the above, we find no reason to interfere with the decision taken by the respondents/revenue.

23. The petition is, accordingly, dismissed.

24. Accordingly, the photocopy of the record tendered by Mr Aggarwala is returned to him.

(RAJIV SHAKDHER)
JUDGE

(TARA VITASTA GANJU)
JUDGE

SEPTEMBER 15, 2022
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