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

\+ W.P.(C) 2265/2020&CM APPL. 3071/2022

XYZ .....Petitioner

Through: Mr. A.K. Thakur, Mr. Rishi Raj & Mr. Sujeet Kumar, Advs.

versus

UNION OF INDIA AND ORS. .....Respondents

Through: Ms. Amrita Prakash, CGSC with Mr. Vishal Aswani Mehta, for UOI.
Mr. Harpreet Singh with Ms. Suhani Mathur & Mr. Jatin Kumar, Advs. for R-2 & 3.

CORAM:
HON'BLE MR. JUSTICE AMIT SHARMA

O R D E R

% **28.11.2025**

1. This hearing has been done through hybrid mode.

2. Learned counsel for the petitioner draws the attention of this Court to the following guidelines with regard to grant of reward to the informers which reads as under:-

> "5.1.1 Informers and Government Servants will be eligible for reward upto 20% of the net sale-proceeds of the contraband goods seized (except items listed in Para 5.2 below) and/or amount of duty/ Service Tax evaded plus amount of fine and penalty levied/imposed and recovered."

3. It is further submitted by way of final adjudication, order dated 31.01.2020 was passed by the competent authority. The operative part of the aforesaid orders reads as under:-

"Show Cause Notice C.No. V(AE)20/MMTC-PAMP/GST JF.BD/07/18-19dated 27.09.2018 issued to M/s MMTC-PAMP India Pvt. Ltd., Rojka-Meo' Industrial Estate, Tehsil Nuh, Distt. Mewat, Haryana-1221 03

(i) I disallow the CENVAT 'credit amounting to Rs. 8,25,53,485/- (Eight Crore Twenty Five Lakh Fifty Three Thousand Four Hundred Eighty Five) and order its recovery from M/s MMTC-PAMP India Pvt. Ltd., Rojka-Meo Industrial Estate, Tehsil Nuh, Distt.- Mewat, Haryana-122103 with interest under Section 11A and Section 11AA of the Central Excise Act, 1944 read with Rule 14 of Cenvat Credit Rules,2004

iii) I impose a penalty of Rs. 8,25,53,485/- (Eight Crore Twenty Five Lakh Fifty Three Thousand Four Hundred Eighty Five) on M/s MMTC·PAMP India Pvt. Ltd., Rojka-Meo lndustriai Estate, Tehsil Nuh, Distt.- Mewat, Haryana-122103 under Rule 15 of Cenvat Credit Rules, 2004."

4. Learned counsel for the petitioner submits that the committee has not considered the aforesaid amount, while determining the reward, which has been given to the petitioner. The relevant portion of the observation of the Reward Committee is as under:-

"2.3. The Reward Committee meeting in the case was held on 27.03.2018, wherein the committee observed that;

"M/s. MMTC PAMP India Pvt. Ltd. vide letter dated 16.01.2018 intimated that they have a availed CENVAT Credit of CVD amount Rs. 8,25,53,485/- and utilized the same for discharging their excise obligations. This effectively means that the credit of the amount of Customs Duty paid by M/s. MMTC PAMP India Pvt. Ltd. has been utilized to pay obligations by the party. Therefore, no

> additional revenue has occurred to the Government in real terms. The only real recovery has been of interest and penalty. Therefore, the Committee decided to consider reward on the basis of penalty deposited i.e. Rs. 1,27,54,519/- (no reward is admissible oh the interest amount). The, maximum admissible reward on the basis of penalty amount was Rs 25,50,903/- (20 % of Rs. 1,27,54,519/-) ,
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> The Reward Sanctioning Committee had sanctioned Rs. 19 lakh as one time final reward to the informer on 27.03.2019."

5. Learned counsel appearing on behalf of the respondent draws the attention of this Court to para 7 of the guidelines, as per which the reward will be only given once the department has actually recovered the amount upon conclusion of adjudication/appeal/revisional proceedings.

6. In this context, it is pointed out that so far only an amount of Rs. 1,27,54,519/- has been recovered by the department and therefore on the basis of such an amount, the reward was granted. On a pointed query from this Court, with respect to the stand of the department, in case the amount after closure of all the proceedings increases, would the petitioner be entitled to an increased amount of reward, learned counsel for the respondent seeks time to take appropriate instructions. Let the same be done before the next date of hearing.

7. At request, renotify on 08.12.2025 at the end of the Board.

AMIT SHARMA, J

NOVEMBER 28, 2025/nk/ah