



IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
R/SPECIAL CIVIL APPLICATION NO. 12632 of 2019

FOR APPROVAL AND SIGNATURE:

HONOURABLE MR. JUSTICE A.S. SUPEHIA

and

HONOURABLE MS. JUSTICE VAIBHAVI D. NANAVATI

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Approved for Reporting	Yes	No

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ABC
 Versus
 UNION OF INDIA & ORS.

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Appearance:

MR. JIT P PATEL(6994) for the Petitioner(s) No. 1

MR.VARUN K.PATEL(3802) for the Respondent(s) No. 1,3,4

SERVED BY RPAD (N) for the Respondent(s) No. 2

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CORAM:HONOURABLE MR. JUSTICE A.S. SUPEHIA
and
HONOURABLE MS. JUSTICE VAIBHAVI D. NANAVATI

Date : 16/06/2026

ORAL JUDGMENT

(PER : HONOURABLE MR. JUSTICE A.S. SUPEHIA)

1. By way of present writ petition, the petitioner has prayed for the following reliefs:

“(A) YOUR LORDSHIP may be pleased to admit and allow this petition.

(B) YOUR LORDSHIP may be pleased to issue a writ of mandamus and/or any other appropriate writ, order of direction directing the concerned respondent to modify the order dated 05.10.2018 and enhance the amount of reward in light of the guidelines for the grant of



rewards to the Informants, 2007 issued by the Government of India, Ministry of Finance, Department of Revenue produced at Annexure-B with interest and consequential benefits.

(C) YOUR LORDSHIP may be pleased to issue a writ of mandamus and/or any other appropriate writ, order of direction directing the concerned respondent to produce the copies of the assessment: details, date of payment of tax, audit and appraisal report and after perusing the same, further be pleased to pass appropriate and suitable orders in the present matter in the interest of justice.

(D) YOUR LORDSHIP may be pleased to pass such other order and further orders as may be deemed just and proper in the interest of justice."

2. Thus, the petitioner is claiming the enhanced amount of reward in light of the guidelines for grant of rewards to the Informants, 2007 issued by the Ministry of Finance, Government of India, Department of Revenue, Central Board of Direct Taxes (CBDT). It is not in dispute that the petitioner is already paid the reward of Rs.17,51,484/- as final reward as per the decision of the Central Board of Direct Taxes (CBDT) after detailed examination of the facts. The petitioner, who is a Real Estate Consultant, passed on some information to the revenue relating to the escapement of income by various entities pointing out evasion of tax paid by one SHELADIA group on the purchase of land wherein, cash amount of Rs.47.50 crores was directly paid to the original owners. On the basis of such information supplied by the petitioner, a raid was carried out on 14.12.2010 at the premises of SHELADIA Group owners and sellers of land, and as per the case of the petitioner, the Income Tax Department got disclosure of Rs.60.48 crores and seized cash of Rs.1.5 crores.

2.1 It appears that earlier, the petitioner filed writ petition claiming the reward being Special Civil Application No.1899 of



2018, which was disposed of by the order dated 04.04.2018 passed by the Coordinate Bench of this Court, observing that the petitioner has a limited power to claim reward at the first place and reward in excess of Rs.15 lakhs in any case and accordingly, the respondent authorities were directed to take final decision on the petitioner's request as the collection of the tax exceeded Rs.5 crores. The case of the petitioner was considered as per the guidelines by the CBDT and ultimately, over and above of Rs.15,00,000/- which was paid by respondent No.4, CBDT decided to reward an additional amount of Rs.2,51,484/- which was also paid to the petitioner on 12.12.2018. Being aggrieved, the petitioner has challenged the said action and is claiming enhanced reward as per the policy.

3. Learned advocate, Mr.Jit P. Patel appearing for the petitioner has submitted that initially, the recommending authority recommended Rs.44,55,000/- of reward i.e. 5.48% of Rs.8.12 crores, however, instead of paying such amount, he has been paid an amount of Rs.15,00,000/- initially and thereafter, an amount of Rs.2,51,484/- as per the decision of the CBDT was paid. Thus, it is urged that the respondents may be directed to pay the entire reward as per the decision of the recommending authorities. In support of his submissions, he has placed reliance on the decision of the Supreme Court in the case of The Secretary, Central Board of Direct Taxes and Ors. Vs. B. Shyam Sunder, AIR 2001 SC 3288.

4. Opposing the present writ petition, learned Senior Standing Counsel, Mr.Varun K. Patel while referring to the



provisions of the guidelines, has submitted that initially an interim reward of Rs.1,00,000/- was paid to the petitioner on the basis of the information received and further reward of Rs.14,00,000/- was also paid to the petitioner on 07.07.2015 and as per the guidelines of for Grant of Rewards to Informants, 2007 and pursuant to the orders passed by this Court, the matter was again considered by the Full Board and after threadbare examination of the facts, details of the parties from which the amount was recovered, the Full Board finally determined the amount of final reward at Rs.17,51,484/- vide its order dated 05.10.2018 and since the applicant (petitioner) was already paid Rs.15,00,000/-, the balance amount of Rs.2,51,848/- has been paid on 12.12.2018. It is thus submitted that as per clause-6 and point (f) of clause-9 of guidelines, granting of reward is in absolute discretion of the authority and the petitioner has no vested statutory right to claim the amount as per his understanding. In support of his submissions, he has placed reliance on the decision of the Coordinate Bench of this Court, dated 01.12.2010, passed in Special Civil Application No.11068 of 2009.

5. We have heard the learned advocates appearing for the respective parties at length. It is not in dispute that pursuant to the information given by the petitioner to the Income Tax Authority, the tax to the tune of Rs.8.12 crores was collected. It is also not in dispute that this tax amount, which has been collected, includes the over and above extra income tax levied on the basis of the other parties which were not connected with the information provided by the petitioner. On the basis of



the information supplied by the petitioner, the tax attributed was Rs.4.12 crores and the extra income levied was Rs.8.12 crores, which is the additional taxes attributed to the information given. It appears that the recommending authority opined that the petitioner was entitled to the amount of Rs.44,55,000/- i.e. 5.48% of Rs.8.12 crores as reward as per the guidelines of 2007.

5.1 It appears that initially, an amount of Rs.1,00,000/- was rewarded to the petitioner and further an amount of Rs.14,00,000/- was also granted towards final reward on 07.07.2015 by the duly constituted committee as per the guidelines. Thereafter, it appears that pursuant to the writ petition and the order passed by this Court and the audit certificate of the internal audit, the final reward proposal was thereafter, sent to CBDT, which reconsidered the entire facts and the Board ultimately determined the final reward as Rs.17,51,484/- vide its order dated 05.10.2018 by recording that since the applicant (petitioner) has already been granted Rs.15,00,000/-, the balance amount of Rs.2,51,484/- was required to be paid, which has been paid to the petitioner on 12.12.2018.

5.2 The Board extensively after considering the recovery of tax and the guidelines as well as by adopting the requisite applicable calculations/formula, doubted the findings of the recommending authority and it held that instead of fixing the reward on 6 factors, the same should have been fixed on 9 factors. The weightage factors were allotted on different points by the Board, which are mentioned in the order and it was held



that the recommending authority did not discuss reason for awarding 50%, out of 50% on accuracy factor and the correct approach would be to first see what information the informant gave and then to see, one after another, how many of these were found accurate and then award points proportionately. The Board thereafter, on the basis of information/statements, recalculated the amount of reward as per the policy by sharing of 14 types of information/the statements, and ultimately, held as under :

“22. Thus, out of 14 points, 6 were accurate and 8 were not accurate. So, out of 20% weightage, 8.57% [6X20/14] may be awarded for this factor.”

5.3 The Board thereafter, determined the total weightage awarded of 21.57% as per the break-up mentioned in paragraph No.31 of the order dated 05.10.2018. The weightage awarded by the Board as per the guidelines and the information and the tax recovered, was 21.57% instead of 100%, which were allocated initially.

6. We have perused the aforesaid findings of the Board, which are very extensive in nature and the Board has minutely considered all the factors and the weightage to be given on the information and the documents.

7. At this stage, we may refer to the paragraph No.13.1 of the Guidelines for Grant of Rewards to Informants, 2007, which is as under:

“13.1 Amount of reward.

The Authority Competent to grant reward may grant reward not exceeding 10% (Ten per cent) of the extra Income-tax and wealth-tax



levied and actually realized, but subject to a ceiling of Rs.15,00,000/- (Rupees fifteen lakhs only) if the aforesaid taxes are directly attributable to the information, including documents, supplied by the informant. This monetary ceiling shall apply with reference to a group of cases and not in respect of the Individual assesses of the group. However, where the collection of additional tax exceeds Rs.5 crore, Full Board may relax the ceiling on receipt of the recommendation from the Competent Authority mentioned in para 2.1.

N.B. In cases where tax is being paid by the assessee in installments after the assessments becoming final, the authority competent to grant reward may consider disbursement of reward in installment.”

7.1 Thus, as per the provisions of paragraph No.13.1 of guidelines, the competent authority can grant reward not exceeding 10% of the extra income tax and wealth tax levied and actually realized, but subject to a ceiling of Rs.15,00,000/-. However, a relaxation is provided the discretion on the Full Board to relax the ceiling in case the additional taxes exceeds Rs.5 crores.

8. It is not disputed that the petitioner is required to fill up a form of statement for furnishing information, which contains a declaration. The petitioner accordingly, filed a declaration/undertaking on 10.12.2010 to the extent that *“he accepts that the payment is ex-gratia payment in absolute discretion of the authority competent to grant reward and he has no right to dispute the correctness of the decision in any court of law”*.

9. As we have noticed that the Board, which is an expert authority and who has the authority to determine the reward by adopting the methodology and factors; which are 10 in numbers as mentioned in paragraph No.19 of the order dated 05.10.2018, this Court cannot delve into such calculations and



the factors. Since the amount of reward is an *ex-gratia* reward and is not governed by any statutory provisions and the petitioner has also filed an undertaking, this Court cannot step into the shoes of the expert Body like the CBDT and tinker with the amount arrived on a systematic calculations unless there is manifest illegality or the fixation of the amount of reward is premised on patent arbitrariness *de hors* the policy. Hence, we would not like to interfere with the final reward granted to the petitioner as determined by the Full Board. The decision of the Supreme Court in the case of ***B. Shyam Sunder (Supra)***, which has been relied upon by the petitioner, cannot come to its rescue in wake of the present facts more particularly, the various clauses of the present policy do not find place in the order of the Supreme Court. Hence, the writ petition stands ***dismissed***.

(A. S. SUPEHIA, J)

(VAIBHAVI D. NANAVATI, J)

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