



GOVERNMENT OF KERALA

Abstract

Taxes Department - State Goods and Services Tax Department - Reward Scheme for Informants and Government Employees to be implemented by the State Government - Sanction Accorded - Orders issued

**TAXES(D)DEPARTMENT**

**G.O.(Ms)No.76/2020/TAXES** Dated, Thiruvananthapuram, 23/09/2020

- Read:- 1 Circular No:20/2015 dated 31.07.2015 of Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Government Of India
- 2 Circular No:36/2018-Customs dated 05.10.2018 the Central Board of Indirect Taxes and Customs(CBIC) dated 05/10/2018, Department of Revenue, Ministry of Finance, Government Of India
- 3 Letter No:CST/CA-07/2020 dated 29.07.2020 from the Commissioner of State tax

ORDER

As per the Circulars read as papers(1) &(2) above, the Central Board of Indirect Taxes and Customs - CBIC (formerly CBEC) formulated guidelines for granting reward to informants and Government employees. Information as to tax evasion is a great source for increasing tax revenue and also controlling tax evasion methods. Therefore, as per the letter read as 3rd paper above, the Commissioner of State Tax has forwarded to Government a proposal for the Reward scheme for Informants and Government Employees to be implemented by the State Government also.

Government have examined the matter in detail and are pleased to accord sanction for the Scheme for Grant of Reward to Informers and Government Servants, 2020. The description of the scheme and the guidelines and principles governing the scheme as approved is appended.

(By order of the Governor)  
**RAJESH KUMAR SINGH IAS**  
**ADDITIONAL CHIEF SECRETARY**

To:

- The Commissioner of State Tax ✓  
 The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram  
 The Accountant General (ERSA) Kerala, Thiruvananthapuram

All Sections in Taxes Department

Finance Department

Revenue Department

Director, I&PRD (Web & New Media)

Stock File/ Office Copy.

Copy to: PS to Minister, Finance.

Under Secretary to Additional Chief Secretary, Taxes Department

PA to Additional Secretary

Forwarded /By order

Signature valid

Digitally signed by ANIL KUMAR S  
Date: 2020.09.24 11:09:19 IST  
Reason: Approved

Section Officer

**SCHEME FOR GRANT OF REWARD TO  
INFORMERS AND GOVERNMENT SERVANTS. 2020**

**1. Short title:-**

This scheme will be called as "The Scheme for grant of Reward to informers and Government Servants, 2020".

**2. Commencement, application and scope of the Reward Scheme**

**2.1 Part-I** of this scheme would be applicable for grant of rewards to the informers and Government Servants in respect of cases of seizures made and/or infringements/evasion of GST/ Sales Tax etc. detected, under the provisions of the following Acts:-

The KSGST Act, 2017;

The Kerala General Sales Tax Act, 1963;

The Integrated Goods and Services Tax Act, 2007

**2.2** Besides, **Part II** of this scheme would be applicable to grant of reward to informers (who give information relating to assets, immovable properties etc. of persons from whom arrears of GST, Sales tax, VAT, Luxury tax and fine, penalty etc. of such taxes, are recoverable and the information results in the recovery of arrears) and Government Servants who put in commendable efforts to effect recovery as per conditions specified therein.

**2.3** This reward scheme would be applicable from the date of issue. Subject to provisions of Para 2.1, this scheme will regulate the grant and payment of reward to informers and Government servants in cases which have not been processed till date of issue of this scheme and apply to all future cases of reward. The Government Servants of and up to the rank of Joint/ Addl. Commissioner of SGST Department and Government Servants of other departments/ agencies as specified in para 4 of this scheme and of equivalent rank would therefore be eligible for reward subject to the ceiling of reward indicated in each category.

**2.3.1** With reference to reward in audit cases and reward to the Law Officers, the relevant date for deciding the eligibility of a case for reward is prescribed in the relevant paragraphs.

**2.3.2** This scheme is subject to APPENDIX 6 OF KERALA FINANCIAL CODE "Rules for administration, supervision and control of secret service expenses"

## PART-I

### 3. PRINCIPLES GOVERNING GRANT OF REWARD:-

**3.1 Reward should not be granted as a matter of routine:-** Reward is purely an ex-gratia payment which, subject to scheme, will be granted based on the judgment of the authority competent to grant rewards and taking into account facts and circumstances of each case and cannot be claimed by anyone as a matter of right.

**3.2 Reward should not be sanctioned for routine and normal nature of work.**

**3.2.1 Informant for the purposes of this Scheme:** A person will be considered an informant for the purposes of this Scheme only if he has furnished specific information of substantial tax evasion and the same has been entered by the prescribed authority referred in para 3.2.3, in prescribed form and, based upon which, an Informant Code has been allotted to him by the prescribed authority.

**3.2.2 Secrecy of identity of informant & information:** Identity of the informant, the information given by him (including all related documents/annexures) or the reward paid to him shall not be disclosed to any person/authority except when expressly required under any law for the time being in force or by order of any court of law. The documents/annexures relating to identity and information shall remain confidential and be dealt with accordingly. After allotment of Informant Code, the person shall be identified with Informant Code only.

**3.2.3** A person who wants to give information of substantial tax evasion may contact the Commissioner of SGST, the Special Commissioner, the Joint Commissioner (Int), the Deputy Commissioner (Int.) or the Deputy Commissioner (Investigation Branch) concerned. If the Officer considers the information prima facie actionable, the same shall be entered in the specified form. The decision of the officer will be final in the matter of allotment of Informant Code under this Scheme.

**3.2.4** The informant shall be liable to render assistance as may be required by the Joint Commissioner (Int) or any other investigating officer to whom the Joint Commissioner (Int) concerned may assign the investigation in the matter of information given by the informant.

**3.2.5** The informant shall be given a unique Informant Code and the person will always be identified on the basis of that Informant Code.

**3.2.6** It should be noted that furnishing false information/evidence is an offence and a person giving false information/evidence/statement will be liable to be prosecuted for such offence.

**3.2.7 Not taking cognizance of information furnished by the informant:**

In case it is found that the antecedents of the informant, nature of the information furnished by him in past and his conduct justify not taking cognizance of the information furnished by him, the matter shall be referred by the Joint Commissioner (Int.) to the Special Commissioner and if approved by the Special Commissioner, it would be open to the Joint Commissioner (Int.) to ignore the information furnished by the informant.

**3.2.8 Non-disclosure of information regarding the taxpayer/assessee:**

The Kerala GST Department does not provide feedback and/or update on the information received or subsequent actions taken thereon. Disclosure of information regarding specific

taxpayers is prohibited except as provided under Section 152 & 158 of the Kerala State Goods and Services Tax Act, 2017.

**3.2.9 Nature of reward and prohibition on litigation/representation:** Reward in accordance with this scheme shall be ex-gratia payment, which subject to this scheme, will be granted in absolute discretion of the authority competent to grant reward. The decision of the authority shall be final and it shall not be subject to any litigation, appeal, adjudication and arbitration except review as provided in this Scheme.

**3.3 Criteria for grant of reward:** - In determining the reward which will be granted, the authority competent to grant reward will keep in mind the following:-

**3.3.1 In cases of collection of information / intelligence, in respect of cases of seizure made out/or infringements/evasion of 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 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 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 detection of infringements/evasion of 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.

**3.3.2 In cases of successful investigation:-** Special efforts made by Departmental officer in in-depth investigation and collection of evidence for establishing the various infringements of law, unearthing and working out tax involved etc.

**3.3.3 In cases of post investigation work:-** Defending the case in Tribunals, High Court/Supreme Court/Settlement Commission, resulting in confirmation of tax evaded / infringement of Law established/settlement of the case, the criteria given in respective Para will apply.

**3.3.4 In cases of Audit/Special Audit in GST:** - Outstanding contribution in detecting major cases of evasion of GST, the criteria given in respective Para will apply.

**3.4 Assignment of Reward (transfer of reward and payment of reward in the event of death of informer/Government Servant) :** As the reward under this scheme is in the nature of ex-gratia payment, no assignment (transfer) thereof made by the informer will be recognized. However, in the event of death of the informer/Government Servant, the authority competent to grant rewards shall grant reward to legal heirs or nominees of an informant/Government Servant of an amount not exceeding the amount that would have been payable to the informant/Government Servant had he/she not died.

**3.5 Prohibition of reward to Government Servants in certain cases:** No reward shall be granted to a Government Servant who as an informer furnishes information or evidence obtained by him in the course of his normal duties as a Government Servant/ employee of

Local Authority/PSU, Corporation/ a Body, Corporate or establishment set up or owned by the Government or employee of Nationalized Bank.

#### 4. ELIGIBILITY FOR REWARD TO GOVERNMENT SERVANTS:-

##### 4.1. General:-

4.2 Ordinarily, Government Servants up to the level of officers of the rank of Deputy Commissioner of SGST, will be eligible for reward depending on the contribution made by them as a team as well as in their individual capacity with regard to collection of intelligence, surveillance, effecting of seizure/detection of tax evasion and post-seizure investigation.

4.3 Government Servants of the rank of Joint Commissioner/Additional Commissioner of State Goods and Service Tax, will also be eligible for reward subject to a ceiling of Rs.50,000/- in each case depending upon the contribution made by them as a team as well as in their individual capacity with regard to collection of intelligence, surveillance, effecting of seizure/detection of tax evasion investigation and post-seizure investigation.

4.4 The changing pattern of non-compliance places a greater premium on investigation and therefore this work needs to be recognised and rewarded. Government Servants up to the level of the rank of Additional Commissioner of SGST, involved in post-investigation work including those representing the Department before the Settlement Commission as well as those posted in legal section will be considered for grant of lump-sum payment of reward, not exceeding Rs. 50, 000/- in each case, depending upon the role played by them. Further exceptional work demonstrated in finalising adjudication in various Legal or other proceedings resulting in favourable decisions like confiscation of seized goods, confirmation of taxes demanded and/or imposition of penalties, detention/convictions etc. would be recognised.

4.5 Government Servants up to the level of Group 'A' officers of the rank of Additional Commissioner of SGST, engaged in audit/special audit/ Post Clearance Audit and who have made outstanding contribution in detecting major cases of evasion of GST will also be considered for grant of lump-sum payment of reward. The maximum amount of reward to each case shall be limited to a maximum of Rs.50,000/- for the officers of the rank upto Deputy Commissioner and not exceeding Rs.25,000/- for the officers of the rank of Joint/ Addl. Commissioner.

4.6 The Officers of Law wing upto the level of Group 'A' officers of the rank of Addl. Commissioners of SGST, and other officers/ staff working in the office of Law office, will also be considered for sanction of reward not exceeding Rs. 50,000/- in each case. For this purpose specific proposals shall be sent to the Commissioner. Tribunal cases where the opposite party was represented by a senior Advocate or eminent lawyer and where the Government would have lost the case but for the painstaking efforts and effective pleading by the Law officer shall also be considered. Reward in such cases shall be paid to Law Officer only after the case has attained finality i.e. no further appeals are pending in the case.

4.6.1 Reward would not be granted for cases, even high value cases, which are settled in terms of settled High Court or Supreme Court decisions.

4.6.2 This reward limits and procedure for sanction of reward to the Law Officers shall apply to cases where the judgment of the Tribunal/ High Court / the Supreme Court has been delivered after the date of issue of this scheme/circular.

5. **QUANTUM AND CEILING OF REWARDS:-**

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

5.2 In respect of Gold and Silver seized and confiscated under the provisions of KSGST Act, 2017 the overall ceiling of reward will be as per specific rates indicated in Annexure A. These ceilings would be subject to periodical revision in the light of the price fluctuations of these items, for which periodical intimations may be sent to the Commissioner of State Taxes, who, in turn, will send suitable recommendations to the Government, for appropriate revision and in case of bullion items, proper indexing of prices as and when warranted.

5.3.1 Reward to Government Servants, however, will ordinarily be paid up to 10% of the net sale-proceeds of the goods seized and confiscated and/or amount of Tax evaded plus amount of fine/penalty levied/imposed and recovered. Similarly, in respect of Gold and Silver, the reward will be limited to half of the maximum rewards indicated in Annexure A. Reward in excess of this limit but not exceeding 20% of the value will be considered only in cases where the Government Servant has exposed himself/herself to a great personal hazard or displayed exemplary courage, commendable initiative or resourcefulness of an extraordinary nature or where his/her personal efforts have been mainly responsible for the detection of case of seizure/evasion of tax.

5.4 Government Servants will be eligible for sanction/payment of total reward not exceeding Rs. 20 Lakh during their entire career. As regards reward in a single case, an individual officer should not be sanctioned a total reward exceeding Rs. 2 Lakh. The structure for consideration of reward in a single case is tabulated as under:-

| Value of seized goods/amount of tax evaded etc. | Ceiling of reward to Departmental Officers except Joint/Addl. Commissioner in each case |
|---|---|
| Less than Rs. 50 Crore                          | Rs.1.00 Lakh  |
| Above Rs.50 Crore but less than Rs.100 Crore    | Rs.1.50 Lakh  |
| Rs. 100 Crore and above                         | Rs.2.00 Lakh  |

However, in exceptional cases, reward in excess of this limit i.e. above Rs. 2 Lakh can be sanctioned to an individual officer, by the Government, on the recommendations of the Apex Reward sanctioning authority for which proposals will be sent to the Government.

5.5 The ceiling limit of reward to private persons (engaged in office for help in office work relating to intelligence/investigation and post investigation work) shall be Rs. 2,500/ in each case.

## 6. PAYMENT OF ADVANCE / INTERIM REWARD

6.1 Advance/Interim reward will be paid to informers other than Government Servants upto 50% of the total admissible reward immediately on seizure in respect of the following categories of goods, namely:-

a) gold / silver bullion

6.2 In other cases of outright smuggling, involving seizures of goods, advance/interim reward upto 25% of the total admissible reward will be paid to the informers other than Government Servants, immediately after seizure, if the authority competent to sanction reward is satisfied that the goods seized are reasonably expected to be confiscated on adjudication and the adjudication order is likely to be sustained in appeal/revision proceedings. However, in case of seizure of perishable goods including chemicals, cigarettes etc. advance reward will be paid to the Informers only after disposal/pre-trial disposal of the seized perishable goods including chemicals, cigarettes etc.

6.3 In all other cases, including cases of seizures and tax evasion cases, normally, no advance/interim reward would be granted. However, in cases where the parties/persons involved have voluntarily paid the amount of tax evaded during the course of investigation, admitting their liability, 25% of the admissible reward will be considered for payment as advance/interim reward to the informers, after the issue of the show-cause notice (SCN), provided the authority competent to sanction reward is satisfied that there is reasonable chance of confiscability/infringement/evasion, as the case may be, being established in adjudication and sustained in appeal/revisionary proceedings.

6.4 In exceptional cases, the Heads of Department will, having regard to the value of the seizures effected and magnitude of the evasion of tax/infringement detected and special efforts or ingenuity displayed by the officers concerned, sanction suitable reward on the spot to be adjusted against the reward that will be sanctioned thereafter.

6.5 Where proceedings in a case are closed without issue of show cause notice or within 30 days of service of show cause notice after recovery of tax, interest and/or penalty, as per the provisions of law mandating such closure of proceedings, reward shall be paid to the informers taking into consideration their respective roles in detection and recoveries made in the case. Such payment of reward in cases of closure of proceedings shall apply to cases of normal period of limitation as well as extended period of limitation provided the proceedings are closed after recovery as per the law. It is further clarified that reward will also be paid in cases where recoveries are made under voluntary disclosure schemes provided the initiation of the investigation preceded the filing of declaration by the assessee under such voluntary disclosure schemes.



## 7. PAYMENT OF FINAL REWARD

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. The final reward will be determined on the basis of the net sale proceeds of goods seized/confiscated (if any) plus penalty/fine recovered. The total reward admissible, i.e., advance and final reward put together, should not exceed the ceiling of 20% of the net sale proceeds (if any) plus amount of Tax/fine/penalty recovered. This will also be subject to instructions in Para 5.3.1 above as regards rewards to Government Servants is concerned. The advance / interim reward sanctioned and disbursed, if any, shall be adjusted against the final reward to be paid to the informers.

7.2 Time limit to sanction final reward: In order to improve disbursement of rewards to Government Servants / informers as an incentive to improve compliance, it is desirable that immediately after conclusion of adjudication/appeal/revision proceedings, it should be considered by the sponsoring authority as to whether the case can be considered and recommended to the reward committee for grant of reward. All Joint Commissioners should set in place a suitable mechanism to monitor cases becoming ripe for disbursement of reward and meeting to review cases of reward to Government Servants and informers which have become ripe for processing shall be held in every quarter. Meeting of reward committee shall also take place at least once in a quarter to consider sanction of rewards.

7.3 Factors relevant for determination of interim or final reward: The following factors will be considered for grant and payment of interim or final reward:

- i. Fulfillment of conditions for grant of interim or final reward, as the case may be, mentioned in this scheme.
- ii. Accuracy and precision of the information furnished by the informant.
- iii. Extent of usefulness of information including supporting documents etc. provided by the informant.
- iv. Extent and nature of assistance rendered by the informant in detection of tax evasion.
- v. In case of final reward, the amount of taxes/revenue levied and realized on the suppressed turnover detected, which is directly attributable to the information received from informant.
- vi. Risk and trouble undertaken and expenses incurred by the informant in securing and furnishing the information

7.4 Circumstances under which an informant will not be eligible to get any reward: No ~~reward shall be granted to an informant under certain circumstances which shall include the~~ following:

- i. Where the information is not provided in accordance with the Scheme
- ii. If terms and conditions of the scheme are not fulfilled; or
- iii. Where the information given is not of substantial tax evasion; or
- iv. Where the information given is vague / non-specific and/or of general nature; or
- v. Where the information given is already available with the Kerala State GST Department;  
or

- vi. Where the information is not received directly from the informant but through organization other than Kerala State GST Department / CGST Department; or
- vii. Where the taxes on suppressed turnover detected are not directly attributable to the information given by the informant; or
- viii. Where the Kerala State GST Department has evidence that the information given by the informant has been shared by him or any other person authorized by him, with any other entity / agency including media; or
- ix. In respect of incidental or collateral benefit which will arise to revenue in any other case as a result of the information furnished by the informant.

**7.5 Illustrative situations where Informant will not be entitled for reward:**

- i. In a case where an informant has furnished information pertaining to modus operandi only without any specific information regarding parties involved / transactions entered etc. and pursuant to such information, investigation conducted by Intelligence Wing leads to detection of suppressed turnover, the informant will not be eligible for any reward for the information even if the modus operandi is found to be correct
- ii. In a case where an informant has furnished specific information pertaining to bogus supply/ receipt of goods / services in respect of some persons and pursuant to such information, investigation conducted by the Intelligence Wing leads to detection of bogus supply/ receipt of goods / services or modus operandi in respect of additional persons also, the informant will not be eligible for any reward in respect of bogus supply/ receipt of goods / services or modus operandi of additional persons, irrespective of the fact that the informant had explained the modus operandi etc.
- iii. In a case where search & seizure has been conducted and taxes have been levied and realized but such taxes are not directly attributable to the information provided by the informant
- iv. In a case where an informant has furnished specific information pertaining to suppressed turnover pursuant to such information, investigation conducted by Intelligence Wing does not lead to detection of the turnover in respect of which the information was furnished, the informant will not be eligible for any reward even if any other suppressed turnover was detected in the investigation and the informant had explained the modus operandi.
- v. In a case where an informant has furnished specific information pertaining to the transactions regarding suppressed turnover and pursuant to such information, investigation conducted by the GST Department leads to detection of some other transactions in addition to those informed by him, the informant will not be eligible for any reward in respect of the additional suppressed turnover, even if the informant had explained the modus operandi.

**8. DELEGATION OF POWERS FOR SANCTION/PAYMENT OF REWARD-  
COMPOSITION OF REWARD COMMITTEE:-**

8.1 The monetary limit for sanction of rewards to informers and Government Servants will be as per Annexure-B.

8.2 In multi-jurisdictional cases, only the Additional Commissioner/Joint Commissioner having jurisdiction where the maximum evasion of revenue has taken place shall be the Member of the Reward Committee. The Additional Commissioner/ Joint Commissioner being considered for reward should not be a part of the Reward committee.

## **9. REVIEW OF FINAL REWARDS SANCTIONED BY THE COMPETENT AUTHORITY**

9.1 Final reward sanctioned by the duly constituted reward sanctioning authority/committee shall not be reviewed or reopened. However, in most exceptional cases, where the Commissioner is satisfied that the review of the final reward sanctioned by the competent authority up to the Apex Committee is absolutely necessary to redress any grave injustice meted out to the Informer/Government Servant, then the Commissioner will review the said final reward. In cases of rewards sanctioned by the Apex Committee, the Commissioner will make a recommendation to the Government to this effect and the Government will review such final reward sanctioned.

9.2 Since reward is an ex- gratia payment, only one representation by the informer against the amount of reward sanctioned should be entertained after being submitted through the reward sanctioning committee/authority to the Commissioner, who, if deemed fit will forward the same with his recommendation to the Government. The Government will review the reward on the recommendations of the Commissioner. No further representation or petition against the decision regarding grant of reward would be entertained either from the informer or any person on his behalf.

## **10. MECHANISM TO MONITOR THE REWARD SANCTIONED TO THE GOVERNMENT SERVANTS**

10.1 To ensure that the Government Servants do not exceed the ceiling of Rs. 20 Lakhs of total reward during their career, all rewards sanctioned to the Government Servants should be entered in their Service Book, before the same are disbursed.

10.2 The Heads of offices and senior officers shall take special care to ensure that the value of goods fixed at the time of seizure is realistic and represents the correct value of the goods seized.

10.3 To ensure that reward is not given only to a small group of Government Servants, it should be ensured, as far as possible, that larger numbers of Government Servants are given an opportunity to work in the anti-smuggling and anti-evasion assignments. Therefore, as far as possible, there should be periodic rotation of officers and no officer should be allowed to be posted to Intelligence and such other wings for more than the prescribed tenure, as per the existing Government instructions on the subject and subject to the extent rules of transfer and postings and other administrative exigencies and considerations.

## **11. UNDERTAKING BY THE INFORMER**

11.1 At the time when an informer furnishes any information or document (s), 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 177, 182 and 211 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 by him/her is found to be false, he/she would be liable to prosecution; that he/she shall not claim reward as a matter of right; that he/she accepts that the Government is under no obligation to enter into any

correspondence regarding the details of seizures made etc., if any, and that the payment of reward is an ex-gratia based on best judgment of the authority competent to grant reward and taking into consideration the facts and circumstances of each case. It is also clarified to the informer that the Government is under no obligation to grant/sanction the maximum admissible reward up to 10% of the net sale proceeds of the seized/confiscated goods, (if any) and/or the amount of tax / penalty / redemption fine recovered and that the amount of reward to be sanctioned to the informer, will purely depend on the specificity & accuracy of the information & other dependent factors, as indicated in Para 3,5,6 and 7 of this scheme.

**11.2 Additional information in respect of identity of informer:** The officer, who records the information stating gist of intelligence and action to be taken along shall keep it in sealed cover containing an information slip and shall record the identity of informer in confidential nature to identify him in future for the purpose of reward. Further, in order to reduce delay and provide adequate safeguards, informer shall, on his own wish provide following additional information on the information slip: written information viz. Visible identification marks (two), Height, Date of birth/Age. However, the additional information is not considered as mandatory for grant of reward to informer. No reward shall be withheld for non-furnishing of additional information.

## PART II

### SCHEME OF GRANT OF REWARD TO INFORMERS AND GOVERNMENT SERVANTS IN CASES OF RECOVERY FROM TAX DEFAULTERS

The scheme in respect of grant of reward to informers and Government Servants are extended to cases of recovery from tax defaulters as per following provisions:-

(i) The reward scheme shall be extended to grant of suitable reward to an informer who gives information regarding the whereabouts, assets, immovable properties etc. of persons from whom arrears of tax, fine, penalty etc. (under the provisions of the Kerala General Sales Tax Act, 1963, The Kerala Tax on Luxuries Act, 1972, The Kerala Value Added Tax Act, 2005 and The Kerala SGST Act, 2017) are recoverable and the information results in recovery of arrears.

(ii) The grant of reward shall be considered only in those cases where the Commissioner is satisfied that:-

- a) All possible efforts have been made by the Departmental officers to trace the defaulter / details of defaulter's property; and
- b) Information provided by the informer has been instrumental in the recovery of arrears.

(iii) The reward in such cases can be given up to a maximum of 5% of the amount recovered and the quantum of reward will be determined by such factors as the nature, accuracy, actionability and efficacy of the information, and other attendant factors.

(iv) In those cases where the case was originally booked on the basis of information provided by an informer, reward to the informer(s) giving information leading to arrears recovery shall be given out of the total reward available in the informer category as per existing policy.

(v) In order to expedite arrears recovery, the Commissioner will, if necessary, invite information from the general public through notices in the print / electronic media in a case where recovery of arrears is pending on account of the fact that the whereabouts / details of assets of the defaulter are not known, and the Commissioner is satisfied that all possible efforts have been made by the Departmental officers in this regard.

(vi) The officers effecting recovery shall also be eligible for reward in cases showing recovery as a result of extraordinary efforts of officer subject to satisfaction of Reward Committee that the recovery had been pending after final adjudication for at least one year or the unit should be non-functioning for at least one year etc. It must be ensured that the case has attained finality i.e. no further appeal is pending in the case or cases are being reported Revenue Recovery Action. The reward in such cases can be given up to a maximum of 5% of the amount subject to upper limit of Rs=50,000/- in each case as applicable in respect of post investigation work. In those cases where the case was originally booked by the officer, reward shall be given out of the total reward available in case for the officer category as per existing policy.

**Rates of Reward in respect of seizure and Confiscation of Gold / Silver**  
**(Para 5.2 of Reward Scheme)**

| Sl.No | Commodity | Rate of maximum reward  | Prescribed purity |
|-------|-----------|-------------------------|-------------------|
| 1     | Gold      | Rs. 1500/- per 10 grams | 999%              |
| 2     | Silver    | Rs. 3000/- per Kilogram | 990%              |

**N.B:** Rewards shall be reduced pro rata if the purity is less than the one prescribed above.

**For 10 gm gold and for 1kg of silver the admissible reward shall be-**

- (i) When the gold is absolutely confiscated and the goods are not redeemed to the noticee, the quantum of reward shall be Rs. 1,500/- per 10 gms. Similarly, with regard to confiscation of silver, the quantum of reward shall be Rs. 3000/- per one Kg.
- (ii) When the gold and silver, including jewellery and articles thereof are seized and confiscated (where after issuance of SCN/ completion of adjudication proceedings, an option to redeem goods is exercised), then quantum of reward shall be calculated as per the actual realization of tax, fine and penalty as applicable to similar such detection in terms of the reward rules.
- (iii) In case of absolute confiscation of gold and silver jewellery, the quantum and ceiling of rewards to informer and Government Servants will be 20% of the Net sale proceeds of the jewellery plus amount of penalty levied/imposed and recovered.

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Monetary limit wise Reward Sanctioning Authority

| 1. Reward to Informers                |  |
|---------------------------------------|--|
| Monetary Limit                        | Reward Sanctioning Authority   |
| Upto Rs. 5 Lakhs                      | A Committee consisting of:-<br>i. Jurisdictional Joint Commissioner (Int)<br>ii. Jurisdictional Joint Commissioner<br><br>Note: Joint Commissioner being considered for reward shall not be member of the reward committee                               |
| Above Rs 5 Lakhs & upto Rs 25 Lakhs   | A Committee consisting of:-<br>i. Additional Commissioner (General),<br>ii. Additional Commissioner (Law)<br>iii. Additional Commissioner (A&I)<br><br>Note: Addl. Commissioner being considered for reward shall not be member of the reward committee. |
| Above Rs. 25 Lakhs & upto Rs 50 Lakhs | A Committee consisting of<br>i. Special Commissioner<br>ii. Additional Commissioner (Enforcement)<br>iii. Additional Commissioner (General)  |
| Above Rs. 50 Lakhs                    | Apex Reward Committee comprising of<br>i. Commissioner of State Taxes<br>ii. Special commissioner and<br>iii. Additional Commissioner (Enforcement)  |
| 2. Reward for Government Servants     |  |
| Monetary Limit                        | Reward Sanctioning Authority   |
| Upto Rs 15,000                        | A Committee consisting of:-<br>i. Jurisdictional Joint Commissioner (Int)<br>ii. Jurisdictional Joint Commissioner<br><br>Note: Joint Commissioner being considered for reward shall not be member of the reward committee                               |
| Above Rs 15,000 & upto Rs 30,000      | A Committee consisting of:-<br>i. Additional Commissioner (General),<br>ii. Additional Commissioner (Law)<br>iii. Additional Commissioner (A&I)<br><br>Note: Addl. Commissioner being considered for reward shall not be member of the reward committee. |
| Above Rs 30,000 & upto Rs 1 Lakh      | A Committee consisting of<br>i. Special Commissioner<br>ii. Additional Commissioner (Enforcement)<br>iii. Additional Commissioner (General)<br><br>Note: Addl. Commissioner being considered for reward shall not be member of the reward committee.     |
| Above Rs. 1 Lakh & upto Rs 2 lakhs    | Apex Reward Committee comprising of<br>i. Commissioner of State Taxes,<br>ii. Special commissioner and<br>iii. Additional Commissioner (Enforcement)   |

**Note:-**

(i) Advance reward to informer may be decided by the reward sanctioning authority upto the respective monetary limit even if the total entitlement of reward exceeds the said monetary limit. In such cases, the final reward to the informer and Government Servants shall be decided by the appropriate reward sanctioning authority based on entitlement of reward.

(ii) In case, the jurisdictional Additional Commissioner/ Joint Commissioner is considered for reward, then the Apex Reward Committee will be the reward sanctioning authority.

(iii) In cases such as one officer holding dual/ multiple charges of two or more members of the Reward Committee proposed to be set up to sanction rewards, the composition of such committees can be modified with approval of the next Supervisory officer to take care of such exigencies.

