# News

## Rewarding someone who reports GST evasion is optional and cannot be justified: Delhi High Court


> ***The petitioner informed the court that she had given information about a company's GST avoidance.***

***According to the Delhi High Court's recent ruling in XY v. Union of India and Ors, a reward for informing authorities about Goods and Service Tax (GST) evasion is discretionary and cannot be claimed as a right.***

The petitioner informed the court that, in accordance with its notification dated July 31, 2015, the Central Board of Excise and Customs (Anti Smuggling Unit) had not rewarded her for providing information about GST evasion by a company, M/s Shakti Enterprises.

According to Justices Prathiba M. Singh and Shail Jain, awarding or rewarding an informant is a discretionary decision that cannot be claimed as a right.

***This Court believes that an award or prize given to an informant is a discretionary decision, and as the petitioner is an informant, the petitioner is not initially able to contest the order-in-appeal. According to the Court, "such a person cannot create a lis on the basis of claiming an award and contest the private Respondent on merits."***

The GST department issued an order-in-original after receiving the petitioner's information, which included a significant demand and a penalty for the business.

But the ruling was changed and the fines were overturned in the order-in-appeal.

The petitioner appealed this ruling to the High Court.

***The Department's attorney also rejected the plea, using the Supreme Court's ruling in Union of India & Ors. v. C Krishna Reddy to support their claim that an informant cannot request the issuance of a writ of mandamus.***

Despite stating that an informer is not entitled to an award, the court did not reject the petition.

On December 18, the Court will hear arguments from the parties regarding the petition's maintainability.

The petitioner was represented by attorney Kumar Utkarsh.

***Manpreet Kour and advocate Gaurav Sharma represented the Union of India.***

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