

Note: 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 shall be decided by the appropriate reward sanctioning authority based on entitlement of reward.

For detailed information please refer to CBIC Circular No. 20/2015-Customs dated 31.07.2015, Circular No. 29/2016-Customs dated 23.06.2016 and Circular No. 36/2018-Customs dated 05.10.2018 available at <https://www.taxinformation.cbic.gov.in>



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REWARD TO INFORMERS

(Updated as on November 2022)



Directorate General of Taxpayer Services
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS
www.cbic.gov.in

GRANT OF REWARD TO INFORMERS

01. The field formations [Commissionerates of Customs/Central Taxes (Central Goods and Services Tax (GST), Integrated Goods and Services Tax (IGST), Central Excise) and the Directorate General of Revenue Intelligence (DRI) and Directorate General of GST Intelligence (DGGI)] of Central Board of Indirect Taxes and Customs give reward to the informers (those who give information to the Department on smuggling of contraband and evasion of duties and taxes) under “**The Guidelines for grant of Reward to informers and Government Servants, 2015** . “ The guidelines are applicable for grant of rewards to the informers in respect of cases of seizures made and/or infringements/evasion of duty/ service tax etc. detected, under the provisions of the following Acts:

- (a) The Customs Act, 1962;
- (b) The Central Excise Act, 1944;
- (c) Narcotic Drugs & Psychotropic Substances (NDPS) Act, 1985;
- (d) Finance Act, 1994 as amended to an extent the said Act Contains provisions relating to Service Tax;
- (e) The Central Goods and Services Tax Act, 2017;
- (f) The Central Goods and Services Tax (Extension to Jammu and Kashmir) Act;
- (g) The Integrated Goods and Services Tax Act, 2017; and
- (h) The Integrated Goods and Services Tax (Extension to Jammu and Kashmir) Act, 2017.

02. **These guidelines will also be applicable for:**

- (a) grant of rewards in respect of cases of detection of Drawback frauds or abuses of duty exemption schemes under various Export Promotion Schemes announced by the Government from time to time, unearthed on the basis of specific prior information provided by the informer or prior intelligence developed by the Government Servants;
- (b) grant of reward to informers (who give information relating to assets, immovable properties etc. of persons from whom arrears of duty, tax, fine, penalty etc, are recoverable and the information results in the recovery of arrears);
- (c) grant of reward to an informer who gives information regarding the where abouts, assets, immovable properties etc. of persons from whom arrears of duty, tax, fine, penalty etc. are recoverable and the information results in recovery of arrears.

<p>Above ₹ 10 Lakh & upto ₹ 25 Lakh</p>	<p>A Committee consisting of:-</p> <ol style="list-style-type: none"> (a) Jurisdictional Principal Commissioner/ Commissioner of Customs/CGST & Central Excise/Principal Additional Director General/ Additional Director General of DRI/DGGI; (b) One of jurisdictional Addl. Comm./Senior most Jt. Commissioner/Director of the Commissionerate or/DRI/DGGI; and (c) An outside Addl/Jt. Commissioner or Addl/ Jt. Director of DRI/DGGI nominated by jurisdictional Principal Commissioner/Commissioner/Principal ADG/ADG <p>Note: Addl. Commissioner/ Joint Commissioner of the Commissionerate or/DRI/DGGI being considered for reward shall not be member of the reward committee.</p>
<p>Above ₹ 25 Lakhs & upto ₹ 50 Lakhs</p>	<p>A Committee consisting of</p> <ol style="list-style-type: none"> i. Jurisdictional Principal Chief Commissioner/Chief Commissioner/Principal DGRI/DGRI/ Principal DGGI/DGGI; ii. Jurisdictional Principal Commissioner/ Commissioner/ Principal ADG/ADG; and iii. Principal Commissioner (Logistics or any other Commissioner rank officer nominated by Principal Chief Commissioner/Chief Commissioner/ Principal DGRI/DGRI/ Principal DGGI/DGGI.
<p>Above ₹ 50 Lakhs</p>	<p>Apex Reward Committee comprising of</p> <ol style="list-style-type: none"> a) Principal DGRI/DGRI and any two Principal Chief Commissioners / Chief Commissioners for cases related to Customs Act and NDPS Act; and b) Principal DGGSTI/DGGSTI and any two Principal Chief Commissioners / Chief Commissioners for cases related to GST, Central Excise and Service Tax.

PRINCIPLES GOVERNING GRANT OF REWARD

Annexure-A-3

Rates of Reward in respect of seizure of Gold / Silver in contravention of provisions of the Customs Act, 1962

Sl.No.	Commodity	Rate of maximum reward	Prescribed purity
1	Gold	₹ 1,500/- per 10 grams	99.9%
2	Silver	₹ 3,000/- per kilogram	99.0%

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

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

- (a) When the gold is absolutely confiscated and the goods are not redeemed to the noticee, the quantum of reward shall be ₹ 1,500/- per 10 gms. Similarly, with regard to confiscation of silver, the quantum of reward shall be ₹ 3,000/- per one Kg.
- (b) When the gold and silver, including jewellery and articles thereof are seized, and in cases of detection of import of gold / silver in contravention of provisions of Customs Act, 1962 (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 duty, fine and penalty as applicable to similar such detection in terms of the reward rules.
- (c) In case of absolute confiscation of gold and silver jewellery, the quantum and ceiling of reward will be 20% of the Net sale proceeds of the jewellery plus amount of penalty levied/imposed and recovered.

Annexure-B

Monetary limit wise Reward Sanctioning Authority

1. Reward To informers	
Monetary Limit	Reward Sanctioning Authority
Upto ₹ 10 lakh	Jurisdictional Principal Commissioner/ Commissioner of Customs/CGST & Central Excise/Principal Additional Director General/Additional Director General of DRI/ DGGI

03. Reward should not be granted as a matter of routine : Reward is purely an ex-gratia payment which , subject to guidelines , may 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.

04. Criteria for grant of reward: In determining the reward which may be granted, the authority competent to grant reward will keep in mind the following:

- (a) 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 duty, tax etc.;
- (b) 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;
- (c) whether the information led to seizure of contraband goods/ detection of infringements /evasion of duty /tax, the owners/ organizers/ financiers/racketeers and the carriers have been apprehended or not;
- (d) 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;
- (e) in the cases of recovery of arrears of duty/tax. the grant of reward shall be considered only in those cases where the Chief Commissioner is satisfied that all possible efforts have been made by the Departmental officers to trace the defaulter/ details of defaulter 's property and Information provided by the informer has been instrumental in the recovery of arrears.

05. Assignment of Reward (transfer of reward and payment of reward in the event of death of informer/Government Servant):
As the reward under these guidelines 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 the authority competent to grant rewards may 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 had he/she not died.

QUANTUM AND CEILING OF REWARDS

06. In the cases other than those involving opium and other narcotic drugs, controlled substances, psychotropic substances and other synthetic drugs etc. informers will be eligible for reward upto:

- (a) 20% of the net sale proceeds of the contraband goods seized (except items listed in Para 7, 8 & 9 below) and/or amount of duty/Tax evaded plus amount of fine and penalty levied/imposed and recovered;
- (b) 20% of recovery of drawback claimed fraudulently and/or recovery of duties evaded under various Export Promotion Schemes plus amount of fine/penalty levied / imposed and recovered.

07. In respect of opium and other narcotic drugs, controlled substances, psychotropic substances and other synthetic drugs etc. seized under the provisions of Narcotic Drugs and Psychotropic Substances (NDPS) Act, 1985, the overall ceiling of reward will be as per the revised specific rates indicated in **Annexure A-1 and Annexure A-2**.
08. In respect of Gold and Silver seized under the provisions of Customs Act, 1962 and in cases of detection of import of gold / silver in contravention of provisions of Customs Act, 1962 the overall ceiling of reward will be as per specific rates indicated in Annexure A-3.
09. In respect of recovery of arrears of duty/tax, the reward 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.

PAYMENT OF ADVANCE / INTERIM REWARD

10. Advance/Interim reward may be paid to informers upto 50% of the total admissible reward immediately on seizure in respect of the following categories of goods, namely :
- (a) gold / silver bullion ; and
(b) arms and ammunition, explosives.
11. In other cases of outright smuggling, involving seizures of contraband goods, including foreign currency, advance/ interim reward upto 25% of the total admissible reward may be paid to the informers 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.
12. In all other cases, including Customs appraising cases, cases of town-seizures and Central Excise duty evasion / service 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 duty evaded during the course of

Annexure-A-2

Rates of Reward in respect of controlled/psychotropic substances, etc. seized under Narcotic Drugs and Psychotropic Substances (NDPS) Act, 1985

Sl. No.	Commodity (Controlled/ psychotropic substances/ synthetic drugs)	Rate of maximum reward	Prescribed purity
1.	Ephedrine, its salts and preparations thereof	₹ 280/- per kg	100%
2.	Pseudo-ephedrine, its salts and preparations thereof	₹ 480/- per kg	100%
3.	Acetic Anhydride	₹ 10/- per litre	100%
4.	Ketamine, its salts and preparations thereof	₹ 700/- per kg	100%
5.	Anthranillic Acid	₹ 45/- per kg	100%
6.	N-acetyl Anthranillic acid	₹ 80/- per kg	100%
7.	Diazepam and its preparations	₹ 0.53/- per tablet of 5mg	100%
8.	Alprazolam and its preparations	₹ 0.20/- per tablet of 5mg	100%
9.	Lorezepam and its preparations	₹ 0.296/- per tablet of 5mg	100%
10.	Alprax and its preparations	₹ 0.52/- per tablet of 5mg	100%
11.	Buprenorphine/ Tidigesic and its preparations	₹ 25,000 /- per kg	100%
12.	Dextropropoxyphene, its salts and preparations thereof	₹ 2,880 /- per kg	100%
13.	Fortwin and its preparations	₹ 1.044/- per vial of 30 mg	100%

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

Annexure-A-1

Rates of Reward in respect of substances seized under the provisions of Narcotic Drugs and Psychotropic Substances (NDPS) Act, 1985

Sl. No.	Commodity	Proposed rate of maximum reward (₹ per kg)	Prescribed purity
1.	Opium	6,000/- (20% of present illicit price)	Standard Opium
2.	Morphine base and its salts	20,000/- (20% of present illicit price)	90% or more of anhydrous morphine
3.	Heroin and its salts	1,20,000/- (20% of present illicit price)	90 % or more of diacetyl morphine
4.	Cocaine and its salts	2,40,000/- (20% of present illicit price)	90% or more of anhydrous morphine
5.	Hashish	2,000/- (20% of present illicit price)	With THC content of 4 % or more
6.	Hashish Oil	10,000/- (20% of present illicit price)	With THC content of 20% or more
7.	Ganja	600/- (20% of present illicit price)	Should be commercially acceptable as Ganja
8.	Mandrax Tablets	2,000/- (20% of present illicit price)	Presence of Methaqualone
9.	Amphetamine, its salts and preparations thereof	20,000/- (10% of present illicit price)	100% pure ATS with pro rata reduction for reduced purity
10.	Methamphetamine, its salts and preparations thereof	20,000/- (10% of present illicit price)	100% pure ATS with pro rata reduction for reduced purity
11.	Ecstasy or 3,4-Methylene Dioxy Methamphetamine (MDMA)	15,000/1,000 tablets (10% of present illicit price)	Presence of MDMA

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

investigation, admitting their liability, 25% of the admissible reward may 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.

13. In exceptional cases, the Heads of Department may, having regard to the value of the seizures effected and magnitude of the evasion of duty/infringement detected and special efforts or ingenuity displayed by the officers concerned, sanction suitable reward on the spot to be adjusted against the advance/ interim reward that may be sanctioned thereafter.
14. 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 duty, interest and /or penalty, as per the provisions of law mandating such closure of proceedings, or by an order of the Settlement Commission, reward may be paid to the officers as well as the informers taking into consideration their respective roles in detection and recoveries made in the case.
15. Reward may also be paid in cases where recoveries are made under voluntary disclosure schemes such as Voluntary Compliance Encouragement Scheme (VCES) provided the initiation of the investigation preceded the filing of declaration by the assessees under such voluntary disclosure schemes.

PAYMENT OF FINAL REWARD

16. Final rewards should be sanctioned and disbursed only after conclusion of adjudication/appeal/revision proceedings as well as closure of proceedings.
17. In case of narcotic drug, psychotropic substance and controlled substance, one time final rewards should be sanctioned and disbursed only after compliance of provisions under Para 4(1) of the Notification No. GSR 38(E) dated 16.01.2015 issued under Section 52 A of the Narcotic Drugs & Psychotropic Substances Act, 1985 and filing of prosecution complaint before the designated Court.
18. The final reward will be determined on the basis of the net sale proceeds of goods seized/confiscated (if any) and/or the amount of additional duty/fraudulently claimed Drawback recovered plus penalty/fine recovered for the duty recovered in cases of detection of abuse of duty exemption schemes.

19. The total rewards 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 additional duty/ service tax/fine/ penalty recovered in cases or the amount of draback fraudulently claimed recovered, or the duty recovered in cases of detection of misuse of duty exemption scheme as the case may be.
20. **Time limit to sanction final reward:** 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.

DELEGATION OF POWERS FOR SANCTION / PAYMENT OF REWARD COMPOSITION OF REWARD COMMITTEE

21. The monetary limit for sanction of rewards to informers and Government Servants will be as per Annexure-B.
22. In multi-jurisdictional cases, only the Chief Commissioner/ Commissioner / 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.

REVIEW OF FINAL REWARDS SANCTIONED BY THE COMPETENT AUTHORITY

23. Final reward sanctioned by the duly constituted reward sanctioning authority /committee shall not be reviewed or reopened. However, in most exceptional cases, where DGRI, DGGI, or the Chief Commissioner, as the case may be, is satisfied that the review of the final reward sanctioned by the competent authority is absolutely necessary to redress any grave injustice meted out to the Informer and make a recommendation to the Board to this effect, the Government may review the final reward sanctioned on the specific recommendations of the Board.
24. 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 Jurisdictional Chief Commissioner/ DGRI/DGGI as the case may be, who, if deemed fit will forward the same with his recommendation to the Board. The Government may review the reward on the recommendations of the Board. 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.

UNDERTAKING BY THE INFORMER

25. At the time when an informer furnishes any information or document(s), an undertaking should be taken from the informer that:
 - (a) he/she is aware that the extent of the reward depends on the precision of the information furnished by him/her;
 - (b) the provisions of Section 177, 182 and 211 of the Indian Penal Code have been read by and/or explained to him/her;
 - (c) he/she is aware that if the information furnished by him/her is found to be false, he/she, would be liable to prosecution ;
 - (d) he/she shall not claim reward as a matter of right;
 - (e) 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.
26. It is also clarified to the informer that the Government is under no obligation to grant/sanction the maximum admissible reward up to 20% of the net sale proceeds of the seized/confiscated goods, (if any) and/or the amount of additional duty/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 the guidelines.

ADDITIONAL INFORMATION IN RESPECT OF IDENTITY OF INFORMER

27. At present DRI-I / AE-1 is filed by an officer, who records the information stating gist of intelligence and action to be taken along with the sealed cover containing an information slip containing Left Thumb Impression (LTI). Further, in order to reduce delay and provide adequate safeguards, informer may, 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.