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

\# **CNR No. DLHC010118782026**

\+ CRL.M.C. 2286/2026

VIKAS MALU .....Petitioner

Through: Mr. Vikas Pahwa Sr. Advocate with Mr. Vaibhav Suri, Mr. Saud Khan, Mr. Tushan Rawal, Mr. Shivaz Berry, Mr. Pulkit Shree Advocates.

versus

DIRECTORATE GENERAL OF GST INTELLIGENCE & ANR. .....Respondent

Through: Mr. Atul Tripathi SSC for CBIC with Mr. Akshay Sagar, Advocate. Mr. Shashank Bajpai, CGSC with Ms. Aashna Mehra, Mr.Vatsal Tripathi and Mr. Dev Pratap Shahi, GP for R2.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% 25.11.2026

CRL.M.A. 25120/2026 (*seeking urgent permission to travel to Dubai*)

1. This application seeks suspension of the Look Out Circular ["LOC"] issued against the Petitioner at the instance of Respondent No. 1, Directorate General of GST Intelligence ["DGGI"], to enable him to travel to Dubai, United Arab Emirates ["UAE"], and return to India within a period of eight weeks. In the main petition, the Petitioner has assailed the order dated 30th January, 2026, passed by ASJ-05, New Delhi District, Patiala House Courts, New Delhi, dismissing his revision petition against the order refusing to revoke the LOC, primarily on the ground of lack of territorial jurisdiction.

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2. The Petitioner acquired citizenship of the Republic of Vanuatu in May 2020, has been residing in Dubai since 2017 and is assessed to income tax in India as a non-resident. The LOC was opened against him on 26th June, 2024, in connection with an investigation undertaken by the DGGI into alleged clandestine manufacture and supply of tobacco products and consequent evasion of taxes involving Reliable Industries, Kuber Khaini Pvt. Ltd. and other entities. The investigation culminated in the issuance of Demand-cum-Show Cause Notice No. 136/2025-26 dated 19th February, 2026, proposing demands towards tax, cess and other statutory liabilities. The Petitioner is arrayed as Noticee No. 5 in the said notice, which proposes imposition of penalties upon him under Section 122(1A) of the Central Goods and Services Tax Act, 2017 ["CGST Act"] and Rule 26 of the Central Excise Rules, 2002 ["CE Rules"].

3. Mr. Vikas Pahwa, Senior Advocate appearing for the Petitioner, submits that the purpose for which the LOC was issued stands substantially served, as the Petitioner has joined the investigation on several occasions and has not been called upon to join any further inquiry since 12th November, 2025. He relies upon the orders passed by this Court and the Sessions Court to demonstrate that the Petitioner has travelled to India pursuant to judicial directions, furnished the requisite security and made himself available to the investigating agency. He further submits that the order dated 11th July, 2025, granting pre-arrest bail, does not impose any restriction on the Petitioner's travel abroad, except the requirement of prior intimation. The Petitioner has already furnished security of INR 3 crores to the DGGI and is willing to furnish additional security to allay any apprehension regarding his return to India.

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4. Mr. Pahwa further submits that the Petitioner has remained in India for over a year, away from his ordinary place of residence and business in Dubai. He is required to attend to his business and family responsibilities there. He also requires medical review and follow-up consultations in continuation of the treatment undertaken in Dubai. His continued absence from the UAE would place his residence visa at risk of cancellation or invalidation. To demonstrate the Petitioner's continuing ties with India, reliance is placed on the affidavit dated 5th November, 2026 and the accompanying ITRs for AY 2025-26, which are stated to disclose substantial immovable assets and business interests in India. It is further submitted that his mother, two sisters and married daughter reside in Delhi-NCR.

5. Mr. Atul Tripathi, SSC appearing for the DGGI, opposes the application. He emphasises the magnitude of the alleged tax evasion and the role attributed to the Petitioner in the affairs of the entities under investigation. Particular concern is expressed that the Petitioner's foreign citizenship and residence abroad may make it difficult to secure his presence if he fails to return to India. Reliance is also placed on his alleged non-compliance with successive notices issued by the adjudicating authority. It is, however, not disputed that the Petitioner is presently not required for any further investigation. On a specific query from the Court, Mr. Tripathi submits that the DGGI would consider initiating criminal prosecution upon conclusion of the adjudication proceedings.

6. The Court has considered the rival submissions. The question at this stage is not whether the LOC was justified when it was issued, but whether the circumstances as they stand today warrant its continued operation, to the extent of preventing the Petitioner from making a temporary visit to the

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country where he ordinarily resides.

7. In this context, the earlier proceedings merit consideration. The Petitioner, who was then residing in Dubai, had approached this Court in W.P.(CRL.) 3349/2024 in relation to summons dated 12th September and 24th September, 2024. By order dated 7th November, 2024, this Court directed him to join the inquiry on 20th November, 2024, subject to the LOC being kept in abeyance upon his furnishing a bond of INR 3 crores with one surety. The Petitioner did not join the inquiry within the time initially granted and, on his application citing ill health, was granted an extension by order dated 19th November, 2024. He nevertheless did not join the inquiry within the extended period, and that petition was subsequently withdrawn on 29th April, 2025. Thereafter, the Petitioner approached the Sessions Court seeking pre-arrest bail. The interim protection granted by the Sessions Court *vide* order dated 23rd May, 2025 was challenged by the DGGI before this Court in CRL.M.C. 3897/2025. By order dated 28th May, 2025, this Court, after recording the DGGI's no-objection to suspension of the LOC subject to the Petitioner joining the inquiry, directed that the LOC be kept in abeyance to facilitate his appearance before the investigating agency. This was made subject to his furnishing a bond of INR 3 crores with one surety. The Petitioner thereafter returned to India, furnished the requisite bond and surety, and joined the inquiry on 30th May, 2nd June and 4th June, 2025.

8. During the hearing of this application on 29th October, 2026, some uncertainty arose regarding the circumstances in which the Petitioner had left India after joining the investigation in June 2025. The matter was accordingly re-listed, and the relevant orders have since been placed before the Court. The order dated 10th June, 2025 passed in Bail Application No.

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780/2025 records that, in the presence of counsel and the Intelligence Officer of the DGGI, counsel for the Petitioner submitted that the Petitioner was required to travel to Dubai for surgery. The order also records that the Petitioner had joined the investigation and that no further summons had been issued to him at that stage.

9. Although the order does not expressly permit the Petitioner to travel abroad, it continued the interim order dated 23rd May, 2025, which had directed suspension of the LOC. Further, the email addressed by the Petitioner's counsel to the DGGI on 10th June, 2025 evidences prior intimation of his departure, consistent with the undertaking furnished by him on 30th May, 2025. The Petitioner subsequently travelled to Dubai, where he underwent knee surgery in June 2025. These circumstances indicate that the DGGI was aware of the proposed travel and that the Petitioner's departure took place while the interim protection against the LOC continued.

10. While the Petitioner was abroad, the Sessions Court granted him pre-arrest bail *vide* order dated 11th July, 2025, subject to conditions including physical appearance before the IO and prior intimation before undertaking foreign travel. Thereafter, as the Petitioner was unable to secure an Indian visa for his return, he approached this Court in CRL.M.C. 4625/2025. By order dated 28th October, 2025, this Court recorded the DGGI's submission that it would take steps to suspend the LOC to facilitate the Petitioner's visit to India. The Court accordingly directed the Petitioner to appear before the IO on 10th November, 2025, subject to suspension of the LOC. Pursuant thereto, the Petitioner returned to India and appeared before the DGGI on 10th, 11th and 12th November, 2025. He has remained in India since then. This subsequent conduct is of considerable significance. The Petitioner,

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despite holding foreign citizenship and having an established residence abroad, returned to India with full knowledge of the ongoing investigation and the proceedings against him.

11. As regards the alleged non-compliance with notices issued by the adjudicating authority, as emphasised by Mr. Tripathi, the Petitioner has filed a detailed response pursuant to the order dated 5th November, 2026. The accompanying documents indicate that, in response to the first notice dated 3rd August, 2026, which fixed a hearing for 12th August, 2026, the Petitioner sought an adjournment by email dated 8th August, 2026. The postal records further indicate that the notices dated 21st September and 7th October, 2026, fixing hearings for 28th September and 14th October, 2026, respectively, were booked for dispatch only on 27th October, 2026, and delivered on 30th October, 2026. In response to the subsequent notice dated 21st October, 2026, the Petitioner submitted a written reply in Form GST CMP-06, which was emailed to the DGGI on 7th November, 2026, and physically filed on 9th November, 2026. The Court need not examine the allegations concerning belated issuance or service of the notices any further. What is material is that these notices pertain to adjudication proceedings and themselves contemplate appearance through virtual mode or an authorised representative. Section 116 CGST Act also permits appearance through an authorised representative, save where personal examination on oath or affirmation is required. No such requirement has presently been indicated. The Petitioner's temporary absence from India, therefore, need not impede the adjudication proceedings.

12. The right to travel abroad is an incident of personal liberty protected under Article 21 of the Constitution, as recognised in ***Maneka Gandhi v.***

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UOI & Anr[1]. The protection of Article 21 also extends to foreign nationals, as emphasised by the Supreme Court in ***Louis De Raedt v. UOI & Ors***[2]. Any restriction on this liberty must, therefore, satisfy the requirements of Article 21 and meet the test of fairness and reasonableness. While legitimate investigative and prosecutorial interests may justify a restraint on travel, its continuance must bear a reasonable nexus to the purpose sought to be achieved. An LOC is a preventive measure intended to secure a person's availability to the process of law. Its continued operation cannot be justified indefinitely merely because proceedings remain pending or prosecution may be contemplated at a future date.

13. In ***Inderpreet Singh Wadhwa v. UOI***[3], this Court considered a prayer for suspension of an LOC against a foreign national residing in Switzerland, in the context of an investigation into alleged large-scale financial irregularities involving substantial public funds. While acknowledging the legitimate interest of the investigating authorities in securing his availability, the Court observed that such apprehension could be sufficiently safeguarded by imposing appropriate and stringent conditions. The Court accordingly suspended the LOC, subject to conditions including substantial financial security, a family surety and continued cooperation with the investigation. The Supreme Court, *vide* order dated 11th November, 2025 in SLP (Crl.) No. 18051/2025, declined to interfere with the order, having regard to the clear and categorical conditions imposed by this Court. It also recorded the undertaking furnished on behalf of the Respondent that he would return to India whenever his presence was required by the authorities. More recently,

[1] (1978) 1 SCC 248.
[2] (1991) 3 SCC 554.

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in ***Deep Kumar Rastogi v. Directorate of Enforcement & Anr***[4], this Court reiterated that an LOC is a coercive measure and cannot be resorted to as a matter of routine merely because an investigation is pending. The Court emphasised that its continued operation must be justified by circumstances warranting such restraint on the right to travel.

14. In the present case, the investigation has culminated in the issuance of Demand-cum-Show Cause Notice dated 19th February, 2026, and the matter is now under adjudication. Having regard to the nature and extent of the allegations, the number of noticees and the issues arising for determination, the adjudication proceedings are likely to take considerable time. The DGGI has submitted that it would consider initiating prosecution upon conclusion of those proceedings. This position is also consistent with the ordinary course contemplated under paragraph 4 of CBIC Instruction No. 04/2022-23 [GST – Investigation] dated 1st September, 2022, which provides that the decision on prosecution should normally be taken immediately upon completion of adjudication. The Instruction, however, expressly recognises that prosecution may be initiated even before adjudication is concluded, in the circumstances specified therein.

15. There is, as yet, no prosecution complaint against the Petitioner arising out of the present investigation. To require him to remain in India throughout the adjudication proceedings, merely to secure his availability for a prosecution that may be instituted at a later stage, when his physical presence is not presently required by the investigating agency, would entail a restriction of uncertain duration.

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[3] 2025 SCC OnLine Del 8283.
[4] W.P.(C) 10167/2026, order dated 28th September, 2026.

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16. The DGGI's apprehension regarding the Petitioner's return cannot be altogether discounted, particularly in view of his foreign citizenship and residence abroad. These circumstances, however, were also present when the Petitioner returned to India to join the investigation. His actual conduct is, therefore, a relevant consideration in assessing the likelihood of his evading future proceedings. Further, notwithstanding his residence abroad, the Petitioner has asserted that he has substantial familial, proprietary and commercial ties in India, as disclosed in the material placed on record.

17. In addition to the FDR of INR 3 crores already furnished to the DGGI, Mr. Pahwa, on instructions, volunteers to deposit the original title documents of the Land & Building at 3909 Sadar Bazar, Delhi, as reflected in the document titled "Details of Items of Balance Sheet as at 31st March, 2025", and furnish an undertaking that, in the event of the Petitioner's failure to return, the said property shall be available for attachment and sale in accordance with further orders of this Court. While taking this undertaking on record, the Court considers it appropriate to impose an additional safeguard by requiring the Petitioner to furnish an additional FDR of INR 5 crores, over and above the INR 3 crores already furnished. The safeguards thus proposed, coupled with the Petitioner's past conduct and continuing ties with India, sufficiently address the apprehension of flight.

18. Accordingly, the LOC issued against the Petitioner at the instance of DGGI shall remain in abeyance for a period of eight weeks, commencing from the date of his first departure from India pursuant to this order. During this period, the Petitioner shall be permitted to undertake multiple visits to Dubai without seeking fresh permission from this Court, subject to the following conditions:

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a. The FDR of INR 3 crores already furnished, together with the accompanying bond and undertaking, shall continue to remain in force. The Petitioner shall ensure that the FDR remains valid and renewed, as required.

b. The Petitioner shall furnish an additional FDR of INR 5 crores, drawn on a scheduled bank in favour of the Registrar General of this Court, with an automatic renewal clause.

c. The Petitioner shall deposit with the Registrar General the original title documents in respect of the Land & Building at 3909 Sadar Bazar, Delhi, offered as additional security. He shall also furnish the particulars of ownership and valuation of the said property, along with an affidavit affirming that it is free from encumbrances. The Petitioner shall further undertake not to create any third-party interest in the property or sell, transfer, alienate or encumber it until the security is released.

d. The Petitioner shall furnish an undertaking by way of affidavit that he shall return to India within the period permitted by this Court. In the event of his failure to do so, the additional FDR shall be liable to forfeiture. The DGGI shall also be at liberty to seek appropriate orders from this Court for attachment and sale of the property furnished as security.

e. At least seven days before each departure from India, the Petitioner shall furnish to the DGGI his complete travel itinerary, copies of confirmed onward and return travel tickets, the address at which he shall stay abroad and his operational contact details. Any subsequent change in the itinerary or contact details shall be promptly communicated to the DGGI. The Petitioner shall remain accessible on the contact particulars furnished by him throughout his stay abroad.

f. The Petitioner shall continue to participate in the adjudication

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proceedings, either through virtual mode or through an authorised representative, as permissible in law. He shall not seek adjournment on the ground of his absence from India. Notices and other communications may be served upon him at the email address furnished by him, and he shall acknowledge receipt thereof.

g. For the duration of the travel permitted under this order, the condition imposed *vide* order dated 11th July, 2025, requiring the Petitioner to appear physically before the IO on the 1st and 15th of every month, shall remain in abeyance. The Petitioner shall remain available through video conferencing, if required. If any subsequent development necessitates his physical presence in India before expiry of the permitted period, the DGGI shall be at liberty to approach this Court for appropriate directions. All other conditions imposed by the order dated 11th July, 2025 shall continue to operate.

h. The Petitioner shall comply with all applicable visa and immigration requirements and take necessary steps to ensure his timely re-entry into India. During the period for which the LOC remains in abeyance, the said LOC shall not, by itself, constitute an impediment to the processing of his visa application or his return to India.

i. The Petitioner shall intimate the DGGI of his arrival in India within 48 hours of each return. In any event, he shall return to India before expiry of the period of eight weeks reckoned from his first departure pursuant to this order. Upon expiry of the said period, the LOC shall stand revived, unless this Court directs otherwise.

19. List before the Registrar General on 30th November, 2026, for verification of the securities, undertakings and other documents required to be furnished by the Petitioner in terms of the directions issued herein. The

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DGGI shall depute an officer to assist the Registrar General in the verification process. The Petitioner shall not undertake his first departure from India until the Registrar General has verified the requisite documents and recorded satisfaction regarding compliance with the conditions imposed. Upon recording such satisfaction, DGGI shall forthwith communicate the necessary directions to Respondent No. 2/Bureau of Immigration, the FRRO and other authorities concerned to give effect to this order.

20. Upon the Petitioner's timely return to India and verification of his compliance with the conditions imposed herein, the additional FDR of INR 5 crores shall be released, together with the accrued interest, if any, and the original title documents deposited in respect of the aforesaid property shall be returned to the Petitioner. This shall not affect the FDR of INR 3 crores furnished earlier to the DGGI or any independent proceedings lawfully initiated in respect of the property furnished as security.

21. It is clarified that the present order is confined to the limited prayer for temporary suspension of the LOC. All questions concerning the validity of the LOC, the jurisdictional objections raised in the main petition and the merits of the allegations against the Petitioner are left open. The adjudication proceedings shall continue in accordance with law.

22. The application is allowed and disposed of in the above terms.

23. Copy of this order be communicated forthwith to the DGGI, the Bureau of Immigration, the FRRO and other concerned authorities for information and compliance.

SANJEEV NARULA, J

NOVEMBER 25, 2026/*nk*

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