2026:DHC:1795-DB

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

% *Date of Decision : 27.02.2026*

\+ W.P.(C) 8352/2025

GAURAV DALMIA .....Petitioner

Through: Mr. Siddhant Kumar and Ms. Shagun Chopra, Advs.

versus

DEPUTY DIRECTOR OF INCOME TAX INVESTIGATION UNIT 2 (3) DELHI & ORS. .....Respondents

Through: Mr. Gaurav Gupta, SSC, Mr. Shivendra Singh and Mr. Yojit Pareek, JSCs and Mr. Surya Jindal, Adv.

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\+ W.P.(C) 11710/2025 & CM APPL. 47981/2025

MRIDU HARI DALMIA .....Petitioner

Through: Mr. Siddhant Kumar and Ms. Shagun Chopra, Advs.

versus

BUREAU OF IMMIGRATION & ANR. .....Respondents

Through: Mr. Ishkaran Singh Bhandari, CGSC and Mr. Piyush Yadav, Adv. for R-1

Mr. Gaurav Gupta, SSC, Mr. Shivendra Singh and Mr. Yojit Pareek, JSCs and Mr. Surya Jindal, Adv.

Mr. Sanjay Pal (GP) for UOI

CORAM:

HON'BLE MR. JUSTICE DINESH MEHTA

HON'BLE MR. JUSTICE VINOD KUMAR

JUDGMENT

DINESH MEHTA, J. (ORAL)

1. By way of instant writ petition, the petitioners have challenged the respondent's action of issuing lookout circular and continuing with it until

today without any reason or rhythm.

2. Mr. Siddhant Kumar, learned counsel for the petitioner submitted that a search was conducted at petitioners' resident so also their business premises on 17.03.2021. In April/May, 2021, a lookout circular was issued that too without intimation to the petitioners. When the petitioners learned about the issuance of said lookout circular, the petitioner submitted a representation dated 19.05.2021 but the same did not find favours of the respondents and letter dated 10.06.2021 was issued by the respondent rejecting the request to lift the restraints of international travel on the petitioners.

3. Learned counsel for the petitioners asserted that since May, 2021, the petitioners have been cooperating with the Department and joining the proceedings as and when called upon by way of filing representations.

4. He submitted that the petitioners were lastly called upon by the respondents in June, 2021 and thereafter, no notice has been issued to the petitioners and therefore, there is no question of any non-cooperation on the part of the petitioners.

5. For completion of factual matrix, learned counsel informed that assessment orders came to be passed by the Assessing Officer (AO) between 27.03.2023-19.05.2023 or Assessment Year 2017-18 to 2020-2021 which was challenged before the Commissioner of Income Tax (Appeals), who vide orders dated between 19.07.2024-31.07.2024 partly allowed the appeals. The orders of the appellate authority have been affirmed by the Income Tax Appellate Tribunal (*hereinafter referred to as 'the Tribunal'*) vide its order dated between 23.07.2025-29.01.2026, and quashed the assessment under Section 143 (3) of the Income Tax Act, 1961 (*hereinafter*

referred to as 'the Act of 1961').

6. Learned counsel submitted that as of today, neither any proceeding is pending against the petitioner nor any demand arising out of search conducted at the petitioners' place is due.

7. He argued that in spite of aforesaid factual matrix, the respondents have continued with lookout circular which has interfered with the petitioners' freedom. As and when they plan to go abroad, they have to take permission from Income Tax Department which takes a substantial time. The petitioners are renowned businessmen and have to go abroad on many occasions for their business trips and the circular in turn affects their business rights.

8. Mr. Siddhant Kumar, learned counsel argued that the action of the respondents have, in this way violated petitioners' fundamental rights guaranteed under Article 14, 19(1)G so also Article 21 of the Constitution of India inasmuch as the petitioners have been confined in a way.

9. Mr. Gaurav Gupta, learned Senior Standing Counsel, on the other hand, submitted that so far as the issuance of lookout circular is concerned, the respondents were well justified and no citizen can as a matter of right claim that a lookout circular cannot be issued as there may be a possibility of fleeing.

10. He submitted that so far as the proceedings under the Act of 1961 are concerned, the same might have been concluded but the respondent-Department had issued reference under Foreign Tax and Tax Research Division (FT&TRD) under DTAA to various countries so as to ascertain whether there are any assets generated or acquired by the petitioners out of India. Since the respondents are in the process of eliciting such information,

the lookout circular should not be interfered with.

11. Heard learned counsel for the parties.

12. In the present factual backdrop, so far as the proceedings under the Act of 1961 are concerned, they have been culminated and as of today, not even a demand is outstanding against the petitioners. Search was conducted on 17.03.2021 and the respondents if have made any reference under FT&TRD, the proceedings are lying pending for about five years.

13. If for one reason or the other, the respondents are not in a position to gather or elicit information from the foreign countries, the petitioners' rights cannot be kept suspended for an indefinite period.

14. We are, therefore, of the view that the respondents' action of continuing with the lookout circular is violative of petitioners' fundamental rights.

15. In the present factual backdrop, we are of the view that in case the petitioners furnish an undertaking that they will not alienate, transfer or otherwise create third party rights *qua* the assets they possess and own outside India and if so choose to, they will intimate the Income Tax Department at least thirty days in advance. In case such undertaking is furnished, their lookout circular deserves to be set aside.

16. The lookout circulars issued in relation to petitioners are hereby set aside.

17. Both the petitioners shall furnish an undertaking to the above effect to this Court on or before 15.03.2026 after providing a copy thereof to Mr. Gaurav Gupta, learned Senior Standing Counsel. In case, the petitioners violate the undertaking so furnished, the respondent-Department shall be free to initiate any action as per law including to prefer proceedings of

contempt of Court in accordance with law.

18. Needless to observe that the aforesaid stipulation will not be construed to mean that the petitioners shall be restrained from alienating or transferring their assets.

19. In view of above, these petitions stand allowed and pending application is disposed of.

DINESH MEHTA, J

VINOD KUMAR, J

FEBRUARY 27, 2026/*ss*