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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Reserved on: 02nd December, 2025

Pronounced on: 13th January, 2026

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W.P. (CRL) 2199/2021

P.S. GAHLAUT

Indian Potash Limited,
Potash Bhawan, 1 OB, Rajendra Park
Pusa Road

.....Petitioner

Through: Mr. Alok Kumar, Mr. Kunal Arora
and Mr. Tarun Kumar, Advocates.

versus

1. **UNION OF INDIA**

Through Secretary Fertiliser

2. **CENTRAL BUREAU OF INVESTIGATION**

Through Director

3. **THE DIRECTORATE OF ENFORCEMENT**

Through its Director

4. **DIRECTOR**

Bureau of Immigration

.....Respondents

Through: Mr. Ripudaman Bhardwaj CGSC with
Mr. Amit Kumar Rana, Advocate.
Mr. Zoheb Hossain and Mr. Manish
Jain, Spl. Counsels for ED with
Mr. Vivek Gurnani, Panel Counsel,
Mr. Kartik Sabharwal, Mr. Pranjal
Tripathi and Mr. Kanishk Maurya,
Advocates.
Mr. Atul Guleria, SPP for CBI with
Mr. Aryan Rakesh, Advocate.

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W.P.(CRL) 2200/2021, CRL.M.A. 18984/2021



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DR. U. S. AWASTHI

Managing Director

IFFCO Sadan, C-1, District Centre

Saket Place, New Delhi

.....Petitioner

Through: Mr. Sudhir Nandrajog, Sr. Adv. with
Mr. Divyam Nandrajog, Ms. Ankita
Singh and Mr. Jai Singh Rawat,
Advocates.

versus

1. **UNION OF INDIA**
Through Secretary Fertiliser
2. **CENTRAL BUREAU OF INVESTIGATION**
Through Director
3. **THE DIRECTORATE OF ENFORCEMENT**
Through its Director
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Advocates.
Mr. Atul Guleria, SPP for CBI with
Mr. Aryan Rakesh, Advocate.

CORAM:**HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA****J U D G M E N T****NEENA BANSAL KRISHNA, J.**



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1. The aforesaid Writ Petitions under Article 226 of Constitution of India read with Section 482 of the Code of Criminal Procedure, 1973 (*hereinafter referred to as "Cr.P.C."*) have been filed on behalf of the **Petitioners/P.S. Gahlaut and Dr. U.S. Awasthi** seeking directions for **closure of a Look Out Circular ("LOC")** in RC No. 221/2021/E0009 dated 17.05.2021 and ECIR No. DLZP-I/43/2021 dated 20.05.2021.
2. The Petitioners submit that they are law-abiding citizens of India, having a reputation and with deep roots in society. *Petitioner/P.S. Gahlaut* is the Managing Director of Indian Potash Limited ("IPL"), which is a private sector in which the Government of India has no equity. Similarly, the *Petitioner/Dr. U.S. Awasthi* is Managing Director of Indian Farmers Fertilizer Cooperative Ltd ("IFFCO")-IFFCO, which is a multi-state Cooperative Society registered under the Multi-State Cooperative Societies Act, 2002 having no Government equity or aid or grant or loan.
3. In the year 2016, a Complaint containing false and baseless allegations against the Petitioners, was made by Shri Nishi Kant Dubey, Member of Parliament, which was forwarded by Respondent No.1/Union of India, Ministry of Chemical and Fertilizer to Respondent No.2/CBI for investigation. Respondent No.1 after investigation, concluded that no loss to the exchequer was caused by IPL and this was communicated to the Central Vigilance Commissioner.
4. Based on similar malicious allegations, made by vested interests since 2012, for events occurring between 2007-2014, Respondent No.1 forwarded the Complaint to Respondent No.2 for examination. Subsequently, after more than 09 years, and despite there being two earlier findings that no irregularities had been committed by the Petitioners or IPL,



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Respondent No.1 accorded 'previous approval' under Section 17A of the Prevention of Corruption Act, 1988 (*hereinafter referred to as "PC Act"*) on 11.05.2021. Consequently, FIR bearing No. RC No. 221/2021/E0009 dated 17.05.2021 under Section 120B read with Section 420 IPC and Section 13(2) read with 13(1)(d) PC Act (*which no longer exists in the PC Act*), was registered by Respondent No.1.

5. Subsequent to the registration of RC, the Petitioners and other employees of IPL were called by Respondent No.2/CBI, and detailed questioning was done, and the documents were obtained by Respondent No.2. The same set of allegations as contained in the RC were examined by Respondent No.1 in 2012 and communicated to Respondent No.3/Directorate of Enforcement on 30.07.2012.

6. Again, on the similar allegations and with an ulterior motive, a Complaint was made by one Dr. Arun Kumar, Member of Parliament, which was sent to Respondent No.1. The allegations were once again thoroughly examined by Respondent No.1 with active cooperation from the Petitioner as well as IPL. Not only no irregularity was found, but it was also concluded that Respondent No. 2 had no jurisdiction over IPL.

7. Throughout the last 09 years, and in particular since the registration of RC, the Petitioners have been extending cooperation. All the alleged allegations pertain to the period 2007 to 2014 are based on documents which have already been provided to CBI. The Petitioner's statement was recorded before the I.O. He has been actively cooperating and is assisting CBI in the investigation. It has never been denied by Respondents for the last 09 years that the Petitioner or IPL or IFFCO has not cooperated. Moreover, searches have been conducted at the residence and office of Respondent No.2 on



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19.05.2021 and seized whatever documents were required. After conclusion of the search, whatever information was required by CBI, the same was also made available by the Petitioner and IPL.

8. The Petitioner filed Writ Petition No. 1051/2021 titled *Dr. P.S. Gehlot vs. Union of India* and Writ Petition No. 1052/2021 titled *Dr. U.S. Awasthi vs. Union of India* to challenge the approval accorded by the Union of India and consequential registration of RC. The Notice has already been issued and the interim protection has been granted to the Petitioners.

9. The IPL/IFFCO, the employer of the Petitioner, has also challenged the assumption of jurisdiction under Section 17A PC Act and consequential registration of RC, in Writ Petition No. 1049/2021 titled *Indian Potash Limited vs. Union of India* and Writ Petition No. 1044/2021 titled *Indian Farmer and Fertilizer Cooperative Limited vs. Union of India*. The Notice has already been issued and stay granted *vide* Order dated 31.05.2021.

10. RC contained a few scheduled offences under Prevention of Money Laundering Act, 2002 (*hereinafter referred to as "PMLA"*), and consequently upon registration of RC by Respondent No. 2, the Petitioners came to know that an *ECIR No. DLZP-I/43/2021 dated 20.05.2021* has also been registered against the Respondent No.3. The searches were conducted at the office and residence of the Petitioner.

11. The Petitioner claims that he was given to understand that on the request of Respondent No. 2 and 3, LOC had been opened by Respondent No.4.

12. It is further submitted that there had been an acute shortage of potassium and other fertilizers in India, affecting India's agricultural economy, which is largely dependent upon imported raw materials and to



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some extent imported finished fertilizers. The contribution of the Petitioner and IPL has always been recognized by the Union of India on account of his knowledge and expertise in the subject, and he has frequently travelled abroad to decide long-term strategies for the supply of potassium to India, attended meetings with potential suppliers, and based on the recommendation of the Board of Directors, has taken necessary steps.

13. The Respondent No.1 had been informing IPL about the urgent need to address the country's challenges on account of the acute shortage of potassium and other fertilizer inputs. The situation has become very grave, and if not attended to immediately, there would be an adverse effect on India's agricultural sector and its economy.

14. IPL holds 27.38% equity in Jordan Phosphate Mines Company (JPMC), Jordan, in which the Government of India is the largest shareholder through their investment arms and regulatory control of the Company. With a view to safeguard the investment of IPL in terms of getting higher dividend payout from Jordan and to ensure that JPMC marketing plan for 2022 earmarks the highest quantities of raw phosphate, phosphoric acid, and finished DAP for India by diverting it from other countries which too have strong fertilizer demand, the presence of the petitioner is required in these countries. Unless the petitioner is permitted to travel abroad, it would not be possible, as it requires direct persuasion of the Chairman, CEO, and other functional Directors of JPMC, who are based in Amman, Jordan. *The visits abroad of the Petitioner, are therefore necessary.*

15. Another Jordan government-controlled company, namely M/s Arab Potash Company (APC), is the nearest source of potash for India. Their supplies to India have also dwindled, like JPMC. They also need to be



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persuaded to plan higher supplies to the India market promptly as well as during whole of the year 2022. In addition to Jordan, the Middle East is the main source for the supply of fertilizers and raw materials. In view of this, it is necessary that the Petitioner should immediately visit these two and other countries to maintain the business of fertilizers for IPL and to safeguard the interest of the country, as fertilizers are an absolutely essential input for food and security of the nation.

16. It is further submitted that Canada, Russia, Belarus, Jordan, Morocco, and the Middle East are major global suppliers of fertilizers and raw materials, with most international producers, exporters, traders, and shipping companies based in Dubai. This is why IFFCO established its wholly owned subsidiary, Kisan International Trading FZE, in Dubai. However, due to the LOC issued at the request of Respondents No.2 and 3, the Petitioner has been unable to attend crucial meetings, including Board Meetings, despite repeated requests from suppliers. The Petitioner's immediate travel is essential to secure fertilizer supplies, engage with suppliers across these countries, and return to India for necessary committee and Board approvals.

17. The Petitioners further submits that all the Bank account details as well as details of the properties, have been furnished that no money has come to the account of the Petitioner from any of the co-accused mentioned in the RC, and no proceeds of crime have been recovered from the Petitioner.

18. Both the Petitioners have submitted that they hold a Passport and have travelled abroad on numerous occasions and even returned during the



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period when CBI was conducting the investigation in the RC and were asking the Petitioner to join the same.

19. The Petitioner have thus, sought closure of LOC on the **grounds** that the action of Respondents No. 2 to 4 in opening the LOC is contradictory to the settled principles of law as laid down in Maneka Gandhi vs. Union of India, (1978) 1 SCC 248 and various other judicial pronouncements. Both Respondents No.2 and 3 have failed to assign any reason or the basis for opening of LOC. It has been overlooked that during the period from 2007 to 2014, detailed inquiry of the Petitioner has already been conducted. He has a status and a long-standing and is not a flight risk. The allegations are more than 07 years old, and the Petitioner has always been available for the investigation.

20. *It is therefore submitted that the LOC issued by Respondent No. 4 be quashed and the Petitioners be permitted to travel abroad*, and the LOC be suspended with immediate effect so as to enable the Petitioner to undertake multiple visits to various countries, for a period of 04 to 06 weeks w.e.f. 15.11.2021.

21. **The Respondent No.1/Union of India, Ministry of Chemical and Fertilizer in its Affidavit has denied all the assertions made in the Petition.** It is submitted that already Writ Petitions have been filed by the Petitioner to challenge the RCs and the matter is still *sub judice*.

22. It is submitted that in view of the fertilizers export restrictions by China, the emerging situation needs to be addressed immediately during Rabi season of 2021-22 as India imports large quantity of fertilizers from China. The issue of availability of fertilizers needs to be addressed through sustained import of fertilizers and efforts for having long term arrangements



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for timely availability of fertilizers at reasonable prices from countries like Morocco, Russia, Jordan, Saudi Arabia, Egypt and Oman, etc.

23. The Petitioners, as MD, IPL/IFFCO, have long experience and reputation in the global fertilizer market and the Petitioner may support the Government in negotiations for smooth availability of fertilizers in the present situation.

24. It is further submitted that if this Court is inclined to allow the Petitions, it may be done subject to necessary clearances from Respondents No.2 to 4 that he may only visit those countries which are involved in the supply of rock phosphate and DAP and that such visit must be in public interest and not a personal visit and also on returning to India, he must be directed to share the outcome and the achievements of the visits, with the Respondent No.1.

25. **The Respondent No. 2/CBI, in its respective Reply in the two Petitions has** submitted that as per the allegations made in the FIR, the Petitioner along with the other named persons, had conspired amongst themselves with an intent to cheat and defraud Indian Farmers Fertilisers Cooperative Limited (IFFCO), India Potash Limited (IPL), general shareholders of these entities and Government of India by fraudulently importing fertilizers and other raw materials for fertilizer productions, after inflating prices of these commodities in a bid to obtain higher subsidy from Government of India.

26. The Ministry of Chemical and Fertilisers forwarded two Complaints to CBI containing allegations against *co-accused U.S. Awasthi, MD and CEO of IFFCO* and others relating to subsidy fraud in IFFCO by opening *Kisan International Trading (KIT)*, exchange of illegal commission in



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imports of raw material and fertilizers, manipulation of sales rate of fertilizers for claiming higher subsidiary subsidy, etc.

27. CBI has also received reliable information that co-accused, U.S. Awasthi was abusing his position as a public servant in conspiracy with the Petitioner and others, to import fertilizers at a highly inflated rate through from various overseas Suppliers which included commission meant for co-accused, U.S. Awasthi and P.S. Gahlaut and the money was siphoned out of India through the family members and private accused persons named in the FIR. The huge amounts of commission have been siphoned off through a complex web of fake commercial transactions, using multiple Companies registered outside India to camouflage such fraudulent transactions as genuine. As per the averments in the FIR, the beneficiaries of the bribe money were co-accused *Amol Awasthi and Anupam Awasthi*, sons of Petitioner/U.S. Awasthi and co-accused *Vivek Gehlot*, son of Petitioner/P.S. Gahlaut, who are presently residing abroad.

28. The group Companies of co-accused, *Rajeev Saxena*, namely, *Midas Metal International Limited* has been receiving huge amounts of commission from *M/s Uralkali Trading Limited*, *M/s Gulf Marine* and *Rare Earth Group* of co-accused, *Pankaj* which are reportedly Suppliers of fertilizers and related products to IFFCO and IPL. The commission is eventually transferred to co-accused *Amol Awasthi*, *Anupam Awasthi* and *Vivek Gahlot*. The co-accused persons, namely, *Rajiv Saxena*, *Sanjay Jain*, *Pankaj Jain*, *Amarendra Dhari Singh* and *Sushil Kumar Pachisia* were intermediaries who channelized the ill-gotten money through various Firms and Companies registered either in their names or in the name of co-accused *Amol Awasthi*, *Anupam Awasthi* and *Vivek Gahlot*. The co-accused, *Sanjay*



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Jain and Pankaj Jain are their close associates. Co-accused *Amarendra Dhari Singh* and *Sushil Kumar Pachisia* were the owners/key persons of *Rare Earth Group* and *M/s Jyoti Trading Corporation Dubai* and they were into the business of import of fertilizers in India on a very large scale.

29. The co-accused, *Rajiv Saxena* and his associates have received huge sum of USD 114.32 million (Rs.685 crores) as illegal commission in the bank accounts of the Group Companies and individual Accounts of co-accused *Pankaj Jain*, *Vivek Gahlot*, *Amol Awasthi* and *Amarendra Dhari Singh*. The total amount of USD 80.18 million (Rs.481 crores) was channelized through *Rare Earth Group* of co-accused *Pankaj Jain* and remaining USD 34.14 million (Rs.204 crores) was received by co-accused *Amol Awasthi*, *Anupam Awasthi* and *Vivek Gahlot* either in their account or in the account of the Firms/Companies owned by them, or in cash.

30. IFFCO and IPL had fraudulently received huge subsidy from Government of India running into several crores on the basis of inflated rate of import of fertilizers thereby causing undue pecuniary loss to Government of India.

31. The case was registered against the Petitioners with the approval of the Government, as mandated under Section 17A PC Act. The searches were conducted which resulted in recovery of various incriminating documents. The investigation and the scrutiny of the documents, is still being in progress.

32. The preliminary objections have been taken that by way of present Petition the quashing of Lookout Notice is sought, even though there is alternate efficacious remedy for redressal of his grievance, available. It is only on the false averments that this Court granted stay of proceedings in



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Writ Petition (Crl) No. 1049/2021 and 1044/2021. The recourse to LOC was taken in terms of various OM's issued by Government of India from time to time and it has been opened in accordance with law and guidelines issued vide OM dated 22.02.2021.

33. Sufficient reasons for opening the LOC are:

- (i) *He is accused in commission of cognizable offence of grave economic offence having national and international ramifications.*
- (ii) *To prevent him from fleeing the country*
- (iii) *To prevent him from influencing the witnesses abroad*
- (iv) *The Petitioner entered into a deep rooted conspiracy through a complex web of transactions having national and international ramifications alongwith the other co-accused which has led to huge monetary loss to the country.*

34. The intention of Union of India to treat such white collar economic offenders seriously, can be appreciated from OM dated 26.10.2010 which was further amended on 05.12.2017, whereby it was mentioned that LOC could be issued even in cases which are not covered by the earlier Guidelines *inter alia* if the departure of a person from India is detrimental to the economic interest of the country or that departure should not be permitted in public interest at any point of time, wherein subsequent thereto vide OM dated 22.10.2018 and 19.09.2018, banks and SFIOs, respectively are empowered to make request for opening of LOC.

35. The facts of the present case are glaring and apparent. The Respondent is conducting the investigation with huge financial ramifications and huge financial scam, in which there are allegations of involvement of the Petitioners, and public interest would undoubtedly be in peril if the Petitioners are permitted to leave the country.



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36. Reliance is placed on Nimmaqadda Prasad vs. CBI, CrI. Appeal No. 728/2013 *decided on 09.05.2013*. Furthermore, a significant corollary of the diversion and investment of illicit money (black money) acquired by committing such crimes into furthering crimes and the hegemony of the criminal syndicate root, the threat to public security and eventually national security, would appear imminent as an ultimate course.

37. The opening of LOC does not lead to violation of fundamental and statutory rights of the Petitioner in any manner. A person, who has committed grave offence, cannot as a matter of right claim a right to travel adopt. Reliance is placed on Justice K.S. Puttaswamy (Retd.) and Anr. vs. Union of India and Others, AIR 2017 SC 4161 wherein the Apex Court observed that preservation that prevention and investigation of crime and protection of the revenue are amongst the legitimate aims of the State.

38. The notions of *reasonable expectation of personal liberty* has elements, both of subjective and objective nature. Liberty is defined by those constitutional values which shape content of the protected zone where the individual ought to be left alone, which is subject to right of others to lead orderly life. There is apprehension that the Petitioner may abscond or evade the process of law. The Petitioner cannot be permitted to leave the country after closure of LOC just because he has provided certain documents to the investigating agency. *It is, therefore, submitted that the Petitions may be dismissed.*

39. **Respondent No.3/Directorate of Enforcement, in its detailed Reply** has taken similar grounds as by Respondent No.2. It is submitted that ED is conducting investigations under PMLA pursuant to the registration of the RC by CBI. During the course of investigations, ED provisionally



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attached assets worth Rs.27.79 crores so far and has filed the Prosecution Complaint against 06 accused on 30.07.2021 on which cognizance has been taken *vide* Order dated 07.08.2021.

40. In the ongoing investigations, many other individual Entities including number of foreign entities are under investigation, in respect of their dealings with IFFCO/IPL. The investigation suggests receipt of commission from entities based in Russia, Belarus by intermediary Firms based in Dubai, which are subsequently routed to entities wherein beneficial interest is held by sons of Dr. U.S. Awasthi and son of P.S. Gahlaut.

41. The sons as well as other accused based outside India, have refused to appear before the I.O. despite service of summons on them, citing the COVID pandemic as an excuse to not travel to India. The Petitioner may try to influence the witnesses and tamper with the evidence in the countries, which he intends to visit. The Petitioner can attend the Board Meetings, etc. by harnessing technology and by attending the same in virtual mode.

42. ***On merit,** all the averments made in the petition are denied. It is submitted that the Petitions are without merit and are liable to be dismissed.*

Submissions heard and record perused.

43. The Look-Out Notice against the Petitioners have been opened on 17.05.2021. During the investigation of the RC as well as the PMLA case, it has come on record that the allegations pertained to the year 2007 to 2014, the Petitioners have joined the investigation as and when required. They have also furnished whatever documents and information that was sought by the investigating agency since the opening of the LOC.

44. The circumstances in which the Look Out Notice can be opened has been explained in the decision of this Court in Sumer Singh Salkan vs.



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Assistant Director & Ors., W.P. (Crl.) 1315/2008 decided on 11.08.2010, wherein the Apex Court held, “*Recourse to LOC can be taken by investigating agency in cognizable offences under IPC or other penal laws, where the accused was deliberately evading arrest or not appearing in the trial court despite NBWs and other coercive measures and there was likelihood of the accused leaving the country to evade trial/arrest*”. It was further observed, “*LOC is a coercive measure to make a person surrender to the investigating agency or Court of law. The subordinate courts’ jurisdiction in affirming or cancelling LOC is commensurate with the jurisdiction of cancellation of NBWs or affirming NBWs*”.

45. Furthermore, it was held that the person against whom LOC is issued *must join investigation by appearing before I.O. or should surrender before the court concerned or should satisfy the court that LOC was wrongly issued against him. He may also approach the officer who ordered issuance of LOC and explain that LOC was wrongly issued against him. LOC can be withdrawn by the authority that issued and can also be rescinded by the trial court where case is pending or having jurisdiction over concerned police station on an application by the person concerned.*

46. **In the present case**, none of the aforementioned circumstances are established. As already stated above, both the Petitioners have been willingly cooperating during the investigation in the search and seizure proceedings and have also joined the investigation pursuant to the summons issued and have provided all the information and cooperated during the investigation. The detailed circumstances given in the Petitions and the detailed Replies filed by the Respondents, show that Petitioners have joined the investigation and have ***not been deliberately evading arrest.***



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47. **No NBWs are issued against them** by any Court or any coercive proceedings initiated against the Petitioners. There is nothing to show that the Petitioners have ever evaded the process of law.

48. There is voluminous record to show that the Petitioners, with the permission of the Court, have travelled abroad many times, have never violated the terms of travel, and have always returned in terms of the permission granted for travel.

49. None of the grounds as stated in Sumer Singh Salkan, (supra) for continuing the LOC exist, which is hereby **quashed**.

50. The Petitioners shall keep the Trial Court informed about his place of residence and his updated contact details. In the event of travelling abroad, he may inform the Trial Court by way of an Application with his itinerary annexed and details of the intended place of residence abroad.

51. The Writ Petitions are allowed, in the aforesaid terms. Pending Application(s), if any, also stand disposed of.

(NEENA BANSAL KRISHNA)
JUDGE

JANUARY 13, 2026/N