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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(CRL) 1541/2025, CRL.M.A. 14337/2025 and CRL.M.A. 14339/2025**

K INDIRA PRIYADARSHINI

.....Petitioner

Through: Mr. Pradeep Kumar Arya, Mr. Raj
Karan Sharma, Mr. Aditya Kumar
Yadav, Ms. Madhu, Mr. Priyanshu,
Mr. Gaurav, Mr. Vaibhav and Ms.
Akshika, Advocates.

versus

BUREAU OF IMMIGRATION & ORS.

.....Respondents

Through: Mr. Rajat Prakash, Advocate.
Mr. Brijesh kumar Tamber Mr. Vinay
Singh Bist Mr. Yashu Rustagi Ms
Chanchala Tiwari Advocates for R-3.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDR KUMAR KAURAV

ORDER

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29.07.2026

1. The instant petition is for the following reliefs:-

“A. Pass a writ / order or direction in the nature of a certiorari quashing the Look-Out Circular (LOC) opened against the Petitioner at the instance of the Respondent No.2;

B. Pass a writ /order or direction in the nature of a certiorari quashing the Look-Out Circular (LOC) opened against the Petitioner at the instance of the Respondent No.3;

C. Pass a writ /order or direction in the nature of a mandamus directing the Respondent No. 1 to furnish the details of all the existing Look-Out



Circulars . (LOCs) opened against the Petitioner, along with the details of the respective Originating Agencies (OA);

D. Direct the Respondent No. 2 and 3 to forthwith withdraw the directions issued to the Resporident No.1/Bureau of Immigration restricting grant of clearance to the Petitioner for travelling abroad;

E. Pass any such other order(s) as this Hon'ble Court deems fit and proper in the facts of the present case.”

2. The petitioner is aggrieved by the issuance of the Look Out Circular ('LOC') at the instance of respondent no.2 i.e., Punjab National Bank and respondent no.3 i.e., Indian Bank.

3. The facts of the case would indicate that the petitioner was appointed as a Director in M/s Ind-Barath Thermal Power Ltd. ("IBTPL" or "Company"). It is stated that the petitioner was not involved in the day to day affairs of the company or any loan transaction. The petitioner resigned from the company on 01.06.2017. The company availed credit facilities from a consortium of lenders, which is led by respondent no.2, whereas, respondent no. 3 is a vendor. Since, the company failed to repay the credit facility, the consortium of lenders filed a company petition before the National Company Law Tribunal, Hyderabad under Section 7 of the Insolvency and Bankruptcy Code, 2016. Thereupon, an FIR was registered.

4. It appears that earlier, the CBI had also opened an LOC, however, the same has now been withdrawn. As of now, the petitioner is not aggrieved by any LOC issued at the instance of any of the Investigating Agency. The subject matter of the instant petition is only LOC issued at the instance of the bank.

5. Learned counsel for the petitioner submits that a LOC cannot be issued by a bank and cannot be employed as a mechanism for the recovery



of money or outstanding dues. The issuance of an LOC for such purpose is contrary to law. He places reliance on the decision of this Court in the case of ***Vineet Gupta and Anr. Vs. Union of India and Ors.***¹, wherein, the Court has held as under:-

“28. On the conspectus of the aforementioned decisions and memorandum, it is seen that the following guiding principles emerge governing the issuance, continuance, and judicial review of LOC:

(i) LOC constitutes a coercive executive measure having a substantial impact on the fundamental right to travel, which forms an integral facet of the right to life and personal liberty guaranteed under Article 21 of the Constitution of India. Consequently, the power to issue an LOC must be exercised sparingly, strictly in accordance with law, and only upon satisfaction of the conditions prescribed under the governing Office Memoranda;

(ii) An LOC may be issued only in cases involving a cognizable offence under the relevant statutes, where specific, tangible material demonstrates that the person concerned is deliberately evading arrest or judicial process, or that there exists a real and proximate likelihood of absconding;

(iii) Moreover, the exceptional power under Clause 6 (L) of the Office Memorandum dated 22.02.2021 is to be narrowly construed and may be exercised only in rare and compelling cases, where, the proposed departure of subject poses a clear and grave threat to the sovereignty, security, or integrity of India, or to its strategic or economic interests in a national or systemic sense, or the larger public interest;

(iv) An LOC issued at the instance of Chairman, Managing Director, or Chief Executive Officers of Public Sector Banks, would not withstand the scrutiny of law and judicial review. Thus, as of now, the LOC issued to Public Sector Banks cannot be sustained and are liable to be quashed;

(v) Courts, in exercise of writ jurisdiction, are duty-bound to subject the issuance and continuation of LOCs to strict scrutiny, balancing the legitimate interests of the State with the individual's fundamental rights, and to quash such circulars where the restraint imposed is found to be arbitrary, disproportionate, lacking in statutory backing, or violative of the principles of fairness, reasonableness, and due process. Ultimately, the

¹ W.P.(C) 7850/2025; dated 10.02.2026



burden lies squarely upon the “originating agencies” to justify, the necessity, proportionality, and legality of the restraint, failing which such action cannot be sustained. Pertinent to observe that the continuance of an LOC is not indefinite and must be periodically reviewed. Where it is evident from the record that the subject has cooperated with the investigation, has not evaded the process of law, and where no further interrogation or presence is demonstrably required, the continued operation of an LOC would amount to an unreasonable and unjustified restriction on personal liberty;

(vi) However, it is also to be emphasised herein that the Writ Court is not the exclusive grievance redressal mechanism available to a person against whom a LOC has been issued. As held in Sumer Singh Salkan, a person against whom a LOC is issued is, in the first instance, required to join the investigation or surrender before the jurisdictional Court, or otherwise satisfy the Court that the LOC is unwarranted. The individual may also approach the authority which ordered issuance of the LOC and seek its withdrawal on the grounds of illegality or non-application of mind. An LOC may be withdrawn by the originating authority and may also be rescinded or modified by the trial Court or the Court having jurisdiction over the concerned police station, upon an appropriate application.”

6. This Court in ***Ritu Singal v. Bureau of Immigration and Ors.***², and ***Shivani Modi v. Union of India and Ors.***³, has further reiterated that LOC issued at the behest of public sector banks/financial institutions is *non est* and unsustainable in the eyes of law.

7. In view of the aforesaid, the LOC issued at the instance of the banks under the facts of the present case would not sustain. The same is, therefore, quashed. Accordingly, the petition stands disposed of.

PURUSHAINDR KUMAR KAURAV, J

JULY 29, 2026
Nc/SA

² 2026:DHC:3806

³ 2026:DHC:4628