



2026:DHC:1854



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

Date of Decision: **23.02.2026**

+ **W.P.(C) 5438/2021**

ASHISH GARG

.....Petitioner

Through: Mr. Manohar Malik with Ms. Astha Gumber, Advocates.

versus

STATE BANK OF INDIA & ORS.

.....Respondents

Through: Ms. Asmita Kumar, Advocate for R4/PNB.

+ **W.P.(C) 4973/2022**

ASHISH GARG

.....Petitioner

Through: Mr. Manohar Malik with Ms. Astha Gumber, Advocates.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Mukul Singh, CGSC with Mr. Aryan Dhaka, Adv.

+ **W.P.(C) 2565/2025**

ASHISH GARG

.....Petitioner

Through: Mr. Manohar Malik with Ms. Astha Gumber, Advocates.

versus

DIRECTORATE OF ENFORCEMENT

.....Respondent

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2026:DHC:1854



Through: Mr. Zoheb Hossain with Mr. Vivek Gurnani, Advocates.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

JUDGEMENT

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

These petitions relate to the issuance of Look Out Circulars ('LOCs') against the petitioner. Learned counsel appearing for the petitioner, at the outset, submits that as per the liberty granted by the Court, he approached the Special Court Central Bureau of Investigation ('CBI') and *vide* order dated 31.08.2024, the LOCs which were issued at the instance of the CBI were set aside.

2. He therefore confines his prayer only to the extent of LOCs issued at the instance of the banks namely – State Bank of India, Bank of Baroda and Punjab National Bank and Enforcement Directorate ('ED').

3. It remains undisputed that the petitioner *vide* order dated 03.02.2025 was permitted to travel abroad between 14.02.2025 to 17.02.2025. It is during his aforesaid travel to Dubai, that he was stopped at the airport and, thereafter, he became aware of the LOC having been issued at the instance of ED. He, therefore, had to file a separate W.P.(C) 2565/2025. Furthermore, W.P.(C) 5438/2021 and WP(C) 4973/2022 relate to the LOCs issued at the instance of the banks and the CBI.

4. Recently, this Court in the case of *Vineet Gupta v. Union of India & ors*¹, while taking a note of various decisions *inter alia*, in *Maneka Gandhi*

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*v. Union of India*², *Sumer Singh Salkan v. Asst. Director*³ and *Viraj Chetan Shah v. Union of India*⁴, has copiously reiterated that LOC is a coercive executive measure that directly impinges upon the fundamental right to travel, which forms an integral part of personal liberty under Article 21 of the Constitution. It was also emphasised that continuance of an LOC is not indefinite and must withstand strict judicial scrutiny on the touchstone of various factors like necessity, proportionality, fairness, and due process. Thus, it was held that where the subject has cooperated with investigation and there is no demonstrable requirement for restraint, continuation of the LOC would be arbitrary and liable to be quashed. The relevant extract of the aforementioned decision reads as under: -

“10. 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,***

² (1978) 1 SCC 248

³ 2010 SCC OnLine Del 2699

⁴ 2024 SCC Online Bom 1195

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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 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."

[Emphasis Supplied]

5. In view thereof, the LOC's issued at the instance of the Banks are wholly unsustainable, they therefore, are set aside. As of now, there is nothing on record that would indicate that the petitioner is not cooperating with the investigation being carried out by the ED. Even otherwise, petitioner's counsel undertakes that he will fully cooperate with the investigation with the ED, and if the charge-sheet is filed he will cooperate with the trial court in conducting a speedy trial. He submits that he shall

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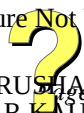


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furnish an affidavit before the investigating agency, to that effect, if so required.

6. Having considered the overall facts and circumstances, at this stage, the Court finds that the purpose of issuance of the LOC has sufficiently been served, and therefore, the LOC at the instance of the ED also deserves to be quashed with the following conditions:

(i) The petitioner shall submit an affidavit before the Investigation agency within a period of thirty days from today, specifically stating that he shall cooperate with the investigation and shall appear as and when he is called for, unless his appearance is exempted by the authority on showing sufficient reason.

(ii) He shall produce all documents if he is in possession thereto.

(iii) He shall not travel abroad unless he seeks the specific permission of the Investigation Agency.

7. Liberty stands reserved to the ED to direct for reissuance of the LOC in case the petitioner breaches any of the undertakings or further circumstances so required.

8. With these directions, writ petitions stand disposed of.

PURUSHAINdra KUMAR KAURAV, J

FEBRUARY 23, 2026

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