



2026:DHC:1864



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 6613/2022, CM APPL. 20104/2022, CM APPL. 9817/2024**
and CM APPL. 9859/2024

Date of Decision: **12.02.2026****IN THE MATTER OF:****SHANTANU PRAKASH**

.....Petitioner

(Through: Mr. Darpan Wadhwa Sr Advocate, with Ms. Neeha Nagpal, Mr. Vishvendra Tomar, Ms. Mehma Kaur, Ms. Shristy Singh Advocates.)

versus

UNION OF INDIA & ORS.

.....Respondents

(Through: Ms. Arti Bansal CGSC with Ms. Shruti Goel Advocate. Mr. OP Gaggar and Mr. Sachindra Karn, Advocates for R-4.)

CORAM:**HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****J U D G E M E N T****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)**

1. As per the order dated 11.11.2024, the petitioner's relief is confined only to the quashment of the Look Out Circulars ('LOCs') which have been issued at the instance of the banks. It is pointed out that on the basis of the complaints sent by the banks, two FIRs have been registered against the petitioner by the Central Bureau of Investigation ('CBI'). The investigation is stated to be pending before the CBI.
2. Learned counsel for the petitioner submits that even if the LOCs

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issued at the instance of the bank are set aside, the LOC opened by the CBI will still remain in operation. He then contends that the petitioner as of now is required to take permission from the Court of competent jurisdiction i.e., Court of Special Judge ('CBI') and, thereafter from this Court, before travelling abroad. The aforesaid position remains undisputed.

3. In order to avoid the multiplicity of the said exercise, he undertakes that he will not travel abroad unless he seeks the permission from the Court of Special Judge ('CBI'). The said submission seems to be reasonable.

4. 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 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 continuation 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:

¹ 2026 :DHC:1616

² (1978) 1 SCC 248

³ 2010 SCC OnLine Del 2699

⁴ 2024 SCC Online Bom 1195



(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 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



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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 light of the aforementioned guiding principles, the impugned LOCs issued at the instance of the State Bank of India and Union Bank of India are totally unsustainable in the eyes of the law, and cannot withstand judicial scrutiny. The said LOCs are, accordingly, set aside.
6. The petitioner, however, shall take permission from the Court of Special Judge (CBI), where the FIR is pending.
7. With the aforesaid observations, the instant petition stands disposed of.

(PURUSHAINDRA KUMAR KAURAV)
JUDGE

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