



2026:DHC:4374



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

+ **W.P.(C) 7967/2022 and CM APPL. 38814/2022, CM APPL. 22290/2023, CM APPL. 33469/2023, CM APPL. 66934/2024, CM APPL. 3151/2025, CM APPL. 14402/2025, CM APPL. 56108/2025 & CM APPL. 31002/2026**

Date of Decision: **08.05.2026****IN THE MATTER OF:**

SACHIN GAUR

.....Petitioner

Through: Mr. Tanmay Mehta, Mr. Manan Popli, Mr. Gaurav Jain, Mr. Atul Malhotra, Ms. Nupur Sharma, Ms. Karuna Sharma, Ms. Apurva Gaur, Mr. Pramendra Singh, Ms. Priya Tripathi, Advocates.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Syed Abdul Haseeb, CGSC with Mr. Muhammad Aamir Khan and Mr. Syed Abdur Rahman, Advocates.

CORAM:**HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****JUDGEMENT****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)**

1. The petitioner, Mr. Sachin Gaur, has filed the present writ petition seeking quashing of a Look Out Circular (“**LOC**”) issued at the instance of the Serious Fraud Investigation Office (“**SFIO**”), which is investigating the affairs of Jaiprakash Associates Limited and its subsidiary Jaypee Infratech Limited. The petitioner herein, was the whole-time-director in Jaypee

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Infratech Limited from 21.04.2007 to 31.01.2011 and whole-time-director & CFO from 01.02.2011 to 21.12.2016. It is submitted that the petitioner left the company Jaypee Infratech Limited and resigned from all positions vide resignation letter dated 10.12.2016. The petitioner then started working in M/s Kram Infracon Private Limited as is currently designated as Executive President.

2. It is the case of the petitioner that he received summons for the first time on 15.02.2021 under Section 217 of the Companies Act, 2013 from the office of the SFIO, where he was directed to provide certain information/documents with respect to the investigation and appear in person. The petitioner duly complied with summons and submitted all relevant information. It is the case of the petitioner that he has cooperated in the investigation, and his statement was also recorded by the Investigating Officer on 23.02.2021.

3. It is pointed out by the petitioner that with respect to same investigation being carried out by the SFIO, LOCs were opened against three of the family members. This Court in the case of ***Rekha Dixit v. Union of India and Ors.***¹, ***Mr. Pankaj Gaur v. Union of India and Ors.***² and ***Sunny Gaur v. Union of India Through Ministry of Home Affairs and Anr.***³, has set aside the respective LOCs against each one of them.

4. It is submitted that even during the pendency of the writ petition, the petitioner was allowed to travel abroad as many as on five occasions. The details of the aforesaid travel are extracted as under:

DETAILS OF TRAVEL ABROAD

¹ Order dated 03.02.2026 in W.P.(C) 6534/2023

² Order dated 10.05.2022 in W.P.(C) 14468/2021

³ Order dated 17.04.2026 in W.P.(C) 3607/2022

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S. No.	Date of Order	Destination (TO)	Duration
1.	29.08.2022 CM APPL.32598/2022	United States of America [USA]	10.09.2022 to 03.10.2022
2.	22.05.2023 CM APPL.22290/2023	United Kingdom	15.06.2023 to 28.06.2023
3.	15.07.2024 CM APPL.33760/2024	United States of America (with transit stay in Germany)	12.08.2024 to 05.09.2024
4.	04.02.2025 CM APPL.3151/2025	United Arab Emirates	27.02.2025 to 05.03.2025
5.	06.08.2025 CM APPL.41258/2025	United States of America (with transit stay in United Kingdom)	21.08.2025 to 01.09.2025

5. The submissions are opposed by Mr. Syed Abdul Haseeb, learned counsel appearing for the respondents and he contends that keeping in mind the seriousness of the allegations, the Court may not consider quashing the LOC.

6. The respondents have not placed any material to demonstrate that the petitioner poses a flight risk. The petitioner has substantial movable and immovable assets in India. His entire family resides in India. He has been permitted by this Court to travel abroad on previous occasions and has returned to India on these occasions without any violation of the conditions imposed.

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7. This Court in *Ritu Singhal v. Bureau of Immigration &Ors.*⁴ has while examining various aspects of the legal framework governing the issuance, continuance and judicial review of LOCs, considered the decisions in *Sumer Singh Salkan v. Asst. Director*⁵, *Karti P. Chidambaram v. Bureau of Immigration*⁶, *Viraj Chetan Shah v. Union of India*⁷, *Bank of Baroda v. Sahil Chugh*⁸, *Rajesh Kumar Mehta v. Union of India*⁹, *Apurve Goel v. Bureau of Immigration*¹⁰, *Brij Bhushan Kathuria v. Union of India*¹¹, *Shalini Khanna v. Union of India*¹², *Puja Chadha v. Directorate of Enforcement*¹³, *Prashant Bothra v. Bureau of Immigration*¹⁴, *Anant Raj Kannoria v. Union of India &Anr.*¹⁵, *Maria Ramesh v. Union of India &Ors.*¹⁶, *Ritwick Dutta v. Union of India &Ors.*¹⁷. Para. 33 to 38 of *Ritu Singhal* (supra) reads as under:

“33. On a conspectus of constitutional provisions, the regulatory framework, and the entire body of judicial opinion surveyed above, this Court distils the following governing legal principles for the issuance, continuance, and judicial review of Look Out Circulars”

“34. **First**, the right to travel abroad is an integral facet of the fundamental right to life and personal liberty under Article 21 of the Constitution. Any restriction on this right must be founded on law, must follow a procedure that is just, fair, and reasonable, and must not violate any other fundamental right. Executive instructions cannot be a substitute

⁴2026:DHC:3806.

⁵2010 SCC OnLine Del 2699.

⁶2018 SCC OnLine Mad 2229.

⁷2024 SCC OnLine Bom 1195.

⁸2025 SCC OnLine Del 9282.

⁹2024 SCC OnLine Del 4153.

¹⁰2023: DHC:6886.

¹¹2021 SCC OnLine Del 2587.

¹²2024 SCC OnLine Del 837.

¹³2025: DHC:8787.

¹⁴2023 SCC OnLine Cal 2643.

¹⁵W.P.(C) 3313/023 decided on 09.01.2026.

¹⁶W.P.(C) 15701/2022 decided on 27.01.2026.

¹⁷W.P.(C) 12862/023 decided on 02.02.2026.



for legislative mandate for the possible restriction of fundamental rights. **Second**, an LOC is a coercive executive measure of last resort. It is not a routine tool for law enforcement or debt recovery. Recourse to an LOC may be taken only in cases involving a cognizable offence under the IPC or other penal laws, where the accused is deliberately evading arrest or not appearing before the trial Court despite NBWs and other coercive measures, and there is a real and proximate likelihood of absconding.

35. Third, public sector banks, through their Chairman, Managing Directors, or Chief Executive Officers, do not possess legal authority to seek the opening of an LOC. Clause 6(B)(xv) of the 2021 OM (equivalent to Clause 8(b)(xv) of the 2010 OM), which conferred such power upon bank officials, stands quashed by decisions of both this Court and the Bombay High Court.

(Emphasis Supplied)

36. Fourth, mere inability to repay a debt, without there being a criminal case, cannot be a reason to deprive a citizen of the fundamental rights guaranteed under Article 21. The issuance of an LOC cannot be resorted to in every case of bank loan default or credit facility availed for business purposes. Where the person against whom the LOC is opened has not been arrayed as an accused in any offence for misappropriation or siphoning, the LOC cannot be sustained. Fifth, the power under Clause 6(L) of the 2021 OM to issue an LOC in cases detrimental to the “economic interests of India” is to be narrowly construed and must be exercised only in rare and compelling circumstances where the proposed departure poses a clear and grave threat to the national or systemic economic interests of India, not in cases of routine commercial default or individual business failure. The quantum of the alleged default and the nature of the loss must be assessed to determine whether it genuinely imperils the national economic interest.

(Emphasis Supplied)

37. Sixth, the authority charged with opening an LOC must apply its mind independently and cannot act as a mere instrument of the originating agency. There must be a speaking order, based on specific and credible inputs, justifying the necessity of the restraint. A mechanical or pro forma compliance with the originating authority’s request cannot satisfy this requirement. Seventh, an LOC cannot be issued against a person merely



on account of his status as a director, guarantor, shareholder, or family member of a defaulting borrower, in the absence of specific material demonstrating his direct and personal role in the alleged wrongdoing. Guilt is personal and not vicarious in civil or criminal liability.

38. ***Eighth***, the continuance of an LOC is not indefinite. It must be periodically reviewed and must be withdrawn when its purpose has been served. Where the subject has cooperated with the investigation, has not evaded process, and where no further interrogation or presence is required, the continued operation of an LOC amounts to an unreasonable and unjustified restriction on personal liberty. ***Ninth***, while the High Court, in exercise of writ jurisdiction, is duty-bound to subject LOCs to strict judicial scrutiny, the Writ Court is not the exclusive forum for challenge. A person against whom an LOC has been issued may, in the first instance, approach the originating authority for withdrawal, or approach the trial Court for its rescission or modification. However, where these remedies are inadequate or in effectual, the writ jurisdiction is clearly available. ***Tenth***, the burden of justifying the necessity, proportionality, and legality of an LOC lies squarely upon the originating agency. In the absence of such justification, the LOC cannot be sustained. Courts must not accept bald assertions of security concerns or economic interest without requiring the originating agency to place credible material before the Court.

8. It is thus seen that the purpose of issuance of the LOC, as of now, seems to have been sufficiently served. As the Supreme Court observed in ***Maneka Gandhi v. Union of India***,¹⁸ "personal liberty makes for the worth of the human person. Travel makes liberty worthwhile." There is no material against the petitioner to indicate any overt act of non-cooperation, therefore, there is no impediment in setting aside the LOC subject to similar conditions as have been imposed in the case of ***Rekha Dixit, Mr. Pankaj Gaur and Sunny Gaur***.

9. For the abovementioned reasoning and justification, the LOC issued

¹⁸ (1978) 1 SCC 248



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at the instance deserves to be set aside under the following terms and conditions:

- (i) The Petitioner shall co-operate with the ongoing and/or future investigations, if any, instituted at the behest of the concerned investigation agency.
- (ii) The Petitioner shall be entitled to travel abroad without any prior permission from this Court. The Petitioner shall, however, intimate the Investigation Officer, with its full itinerary either personally or through counsel, at least 7 days prior to his departure.
- (iii) If, in case of emergency, where intimation cannot be given as aforesaid, the petitioner shall give the requisite intimation atleast 24 hours prior to the travel.
- (iv) If the chargesheet is filed, the Petitioner shall approach the concerned Court and thereafter, shall take the permission for travelling abroad.
- (v) The SFIO shall be at liberty to seek issuance of a fresh LOC in accordance with law, if any supervening circumstances or new material warrants such action.

10. With these directions, and conditions, the LOC stands set aside.

11. Let the necessary communication be made by the SFIO, to Immigration Bureau.

12. Accordingly, petition along with pending applications, stands disposed of.

PURUSHAINDRA KUMAR KAURAV, J

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