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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 4801/2025, CM APPL. 22069/2025, CM APPL. 27644/2025, CM APPL. 57040/2025 and CM APPL. 82244/2025**

Date of Decision: **17.02.2026**

IN THE MATTER OF:

SAURABH KHANNA

.....Petitioner

Through: Mr. Arvind Nayar, Sr. Advocate with
Mr. Himanshu Gupta & Mr. Rohan S.
Nandy, Advocates.

versus

**UNION OF INDIA THROUGH THE MINISTRY OF CORPORATE
AFFAIRS A ANOTHERND**

.....Respondent

Through: Mr Farman Ali, CGSC with Mr Vidur
Dwivedi, Advocate.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

JUDGEMENT

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

The petitioner has filed the instant petition for the following relief:

“i. Issue a Writ of certiorari/ mandamus or any other appropriate writ, order or direction in the nature thereof to quash the Look Out Circulars issued against the Petitioner (bearing Passport No. Z5808693) at the instance of the Respondent No. 1, and issue necessary directions to the Respondents, including the Bureau of Immigration, Ministry of Home Affairs, New Delhi in this regard for enabling the Petitioner to travel abroad.

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ii. Issue a writ of certiorari/ mandamus or any other writ/ order/ direction in the nature thereof directing the Respondent No. 3 to not restrict the Petitioner (bearing Passport No. Z5808693) from traveling abroad.

iii. Issue a writ of certiorari/ mandamus or any other writ/ order/ direction in the nature thereof calling for the records of the Look Out Circular issued by the Respondent No. 1 against the Petitioner and quashing the same thereafter being contrary to the fundamental rights of the Petitioner.

iv. Ad interim reliefs in terms of prayers (i) to (iii) herein above.”

2. The petitioner is a Non-Resident Indian having a ‘Tax Residence’ status in the United Arab Emirates. The petitioner is also the Managing Director of one Grownd Realty Pvt. Ltd. The shareholders and Directors of Grownd Realty Pvt. Ltd. are his family members.

3. It appears that the father of the petitioner – Mr. Brij Mohan Khanna had filed a complaint with the statutory auditors of Grownd Realty Pvt. Ltd. on 17.05.2024 and had also made multifarious complaints to other authorities. The statutory auditor seems to have submitted a report under Section 143(12) of the Companies Act, 2013 (Companies Act) indicating that money to the tune of ₹58,00,00,000/- (Rupees Fifty Eight Crore only) was siphoned from the account of Grownd Realty Pvt. Ltd. into the petitioner’s own personal account. It is this complaint and report which have culminated in the registration of the inquiry under Section 210(1)(c) read with Section 217 of the Companies Act. It appears that the petitioner did not appear before the authorities pursuant to notice dated 10.01.2025. Therefore, the Look Out Circular (LOC) has been opened against the petitioner.

4. Mr. Arvind Nayar, learned senior counsel appearing for the petitioner, submits that the failure to appear pursuant to summons dated 10.01.2025

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was on account of non-receipt of the same as he was travelling at the relevant time. The submissions are opposed by Mr. Farman Ali, learned counsel, who submits that the petitioner has a business in Dubai and possesses a 'Golden Visa'. Therefore, according to him, there exists reasonable apprehension that the petitioner would flee from the country.

5. The Court has considered the various submissions made by the parties and finds that till date there is no F.I.R against the petitioner. During the pendency of the petition, the petitioner was permitted to travel abroad with the permission of the Court on five occasions. The details thereof are extracted as under:

<i>S. NO.</i>	<i>Order Date</i>	<i>Application No.</i>	<i>Duration Allowed</i>	<i>Whether travelled</i>
1.	16.05.2025	22070/2025	31.05.2025- 22.06.2025	Yes, to Dubai, United Arab Emirates.
2.	17.07.2025	38513/2025	17.07.2025- 13.10.2025	Yes, to United Arab Emirates, Italy, United Kingdom, United States of America and Canada
3.	10.09.2025	57040/2025	22.09.2025 – 03.10.2025	Yes, modified travel itinerary in terms of the order dated 17.07.2025 and travelled to Ireland.

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4.	06.10.2025	57040/2025	13.10.2025 – 09.02.2026	Yes, to Dubai, United Arab
5.	06.02.2026	82244/2025	09.02.2026- 31.07.2026 (Duration sought)	Seeking to travel to United Arab Emirates and Greece. Said permission granted whereby interim order dated 06.10.2025 was extended till 30.07.2026

6. The petitioner hails from Amritsar and has extensive family-ties in India. Furthermore, the petitioner's father, who initially filed the complaint, has now withdrawn the same. The petitioner further submits that he would cooperate with all investigations or inquiries and shall appear before the authority as and when he is called for. His statement is taken on record.

7. 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 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

¹ 2026 :DHC:1616

² (1978) 1 SCC 248

³ 2010 SCC OnLine Del 2699

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right to travel, which forms an integral part of personal liberty under Article 21 of the Constitution of India. 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 decision in **Vineet Gupta** 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;

⁴ 2024 SCC Online Bom 1195

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(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 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."

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8. Having considered all the aforesaid circumstances, LOC in question stands set aside. Liberty is reserved to the respondent to reopen the same, if the circumstances so warrants.

9. The same, however, is subject to the following conditions:

(i) The petitioner shall submit an undertaking by way of an affidavit within a period of four weeks from today before the Investigating Officer affirming that he shall continue to co-operate in future investigation, if any, and shall appear before the Investigating Officer as and when required;.

(ii) He shall produce all material documents requested from him by the Investigating Agency as may be available within his power/ possession;

(iii) He shall also furnish a full itinerary before the Investigating Agency at least fifteen (15) days prior to his travel. He shall also furnish his local contact number as well as email i.d. to the Investigating Officer. The respondents shall give prior notice for appearance, interrogation, etc, ten (10) days in advance on the email address furnished by the petitioner.

(iv) In case the Investigating Officer or the Court has any reservation about the petitioner's travel, the Investigating Officer shall be entitled either to restrain him or to direct for issuance of a fresh LOC;

10. Accordingly, the writ petition stands disposed of. Pending applications shall also stand disposed of.

PURUSHAINdra KUMAR KAURAV, J

FEBRUARY 17, 2026

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