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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of decision: **11.02.2026**

IN THE MATTERS OF

\+ **W.P.(C) 10324/2025 and CM APPL. 42872/2025**

RAM KISHOR ARORA .....Petitioner

Through: Mr. Tanveer Ahmed Mir, Senior Advocate, with Mr. Yash Datt, Mr. Chandra Shekhar Anand, Advocates.

versus

UNION OF INDIA & ORS. .....Respondents

Through: Mr. O.P. Gaggar with Mr. Sachindra Karn Advocates for R-2.

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\+ **W.P.(C) 10458/2025 and CM APPL. 43445/2025**

SANGITA ARORA .....Petitioner

Through: Mr. Tanveer Ahmed Mir, Senior Advocate, with Mr. Yash Datt, Mr. Chandra Shekhar Anand, Advocates.

versus

UNION OF INDIA & ORS. .....Respondents

Through: Ms. Radhika Bishwajit Dubey CGSC alongwith Ms Gurleen Kaur Waraich and Mr Kritarth Upadhyay Advocates for R-1 to 3.
Mr. O.P. Gaggar with Mr. Sachindra Karn Advocates for R-2.

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\+ **W.P.(C) 10465/2025 and CM APPL. 43461/2025**

SANGITA ARORA .....Petitioner

Through: Mr. Tanveer Ahmed Mir, Senior Advocate, with Mr. Yash Datt, Mr. Chandra Shekhar Anand, Advocates.

versus

UNION OF INDIA & ORS. .....Respondents

Through: Mr. Santosh Kumar Rout standing counsel for BOB

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\+ **W.P.(C) 10486/2025 and CM APPL. 43548/2025**

RAM KISHOR ARORA .....Petitioner

Through: Mr. Tanveer Ahmed Mir, Senior Advocate, with Mr. Yash Datt, Mr. Chandra Shekhar Anand, Advocates.

versus

UNION OF INDIA & ORS. .....Respondents

Through: Mr. Santosh Kumar Rout standing counsel for BOB

CORAM:
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

J U D G E M E N T

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

1. The petitioners namely, Ram Kishor Arora and Sangita Arora both were the Promoters and Directors of M/s. Supertech Limited and M/s. Supertech Realtors Private Limited. The companies seem to have obtained credit facilities from the Union Bank of India for developing various residential and commercial projects in the National Capital Region ('NCR') region particularly in the Noida and Greater Noida region. Both the

petitioners stood as a guarantor of the said loan taken by the companies.

2. In other connected matters, the loan facility was availed from Bank of Baroda. Except a slight difference on the amount in question and the date and event, other facts and circumstances are largely the same.

3. The overall dues against both the companies seem to be more than a thousand Crore. The respondent-Banks initiated recovery proceedings before the Debt Recovery Tribunal. The Banks then purportedly realised the potential diversion of funds by the borrower and the books of account as available with them reflected the circumstances. They, therefore, directed for forensic audit, internal audit and internal investigation into the accounts in order to ascertain the correct position. Thereafter, various irregularities surfaced pursuant to which, the respondent-Banks have triggered, and set in motion, criminal proceedings by filing a complaint before the Investigating Agencies.

4. At the instance of one of the Banks, which is not a party in the instant petitions, however, is part of the consortium, the CBI has taken up the investigation. Before the investigation could be taken up by the CBI at the instance of the respondent-Bank, the Look Out Circular ('LOC') was opened against the petitioners. They challenge the validity of the LOC on various grounds.

5. With respect to the same companies, the petitioners' son namely, Mohit Arora filed two writ petitions before this Court, which were registered as W.P. (C) 8073/2021 and W.P. (C) 4460/2023. *Vide* judgment dated 12.07.2024, both the writ petitions were allowed.

6. Learned counsel appearing on behalf of the respondent-Banks tries to distinguish the said decision on the ground that the petitioner therein namely, Mohit Arora was no more the Director after the year 2017, however, all those aspects at this stage may not be required to be looked into as the complicity of the petitioners herein will have to be thoroughly investigated by the Investigating Agencies. If the petitioners' complicity is found, necessary action will have to be taken in accordance with law.

7. This Court in the case of ***Vineet Gupta v. Union of India* & Ors.**[1], while taking 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 continuance of an LOC cannot be for an indefinite period of time 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 aforenoted decision reads as under: -

> "*10.On the conspectus of the aforenoted decisions and memorandum, it is seen that the following guiding principles emerge governing the issuance, continuance, and judicial review of LOC:*

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[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 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."

8. On the anvil of the aforenoted principles, there does not seem to be any other distinguishable feature, which would detain the Court from passing similar directions as has been passed in the case of Mohit Arora. It is an unequivocal position taken by the petitioners that they have never obstructed the investigation or have avoided the enquiry in any manner whatsoever. They undertake that they will fully co-operate with the Investigating Agencies in taking the investigation to its logical conclusion.

9. It is submitted that in one of the matters, which relates to IDBI Bank, after completion of the investigation, the charge sheet was filed before the Special Judge (CBI), Rouse Avenue Courts; however, cognizance has not yet been taken.

10. In view of these facts and circumstances, there is no reason to keep these petitions pending and to allow the LOC remains in existence. The LOC seems to have served its purpose. The same is, therefore, set aside subject to following directions:-

(i) The petitioners to submit an undertaking on an affidavit before the CBI affirming that they shall continue to co-operate in the investigation, if any, and shall appear before the Investigating Agency as and when they are required;

(ii) They shall produce all material/ documents requested from them by the Investigating Agency as may be available within their power/ possession;

(iii) Henceforth, they shall furnish a full itinerary before the Investigating

Agency seven days before undertaking any journey abroad;

(iv) After taking of the cognizance, the petitioners will have to take the permission for travelling abroad from the concerned competent Court;

(v) In case the investigating agency or the Court has any reservation about the petitioners' travel, the Investigating Agency shall be entitled either to restrain them or to direct for issuance of a fresh LOC.

11. With the aforesaid directions, the instant petitions stand disposed of along with all pending applications.

(PURUSHAINDRA KUMAR KAURAV)
JUDGE

FEBRUARY 11, 2026
Nc/mj