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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 11611/2024, CM APPLs.48216-18/2024, 29558/2025 & 67754/2025**

Date of Decision: **25.02.2026**

IN THE MATTER OF:

NEENA MITTAL & ANR.

.....Petitioners

Through: Mr.Sanjeev Bhandari with Mr. Amit Dhall and Mr. Rajat Srivastava, Advocates.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Ms Sunanda Shukla with Ms Maanya Saxena, Advocates for UOI.
Mr. Ripudaman Bhardwaj, SPP for CBI.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

JUDGEMENT

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

1. It appears that at the instance of banks the LOCs were opened against the petitioners. The Court in the case of *Vineet Gupta v. Union of India & Ors.* vide its judgment dated 10.02.2026 in WP(C) 7850/2025 has held as under:

“28. On the conspectus of the aforementioned decisions and memorandum,

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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, 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

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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.”*

2. It has been clearly held that an LOC issued at the instance of Chairman Managing Director or Chief Executive Officer of the public sector banks would not stand on the scrutiny of law and judicial review. Thus, the LOCs issued at the instance of the banks are unsustainable in law and are hereby set aside.

3. So far as the LOCs issued at the instance of the CBI is concerned, this Court in the case of **Sumer Singh Salkan v. Asstt. Director & Ors., 2010 SCC OnLine Del 2699** has held that the individual may approach the authority which ordered issuance of LOC and seeks its withdrawal on the ground of legality or non-application of mind. It has also been held that an LOC may be withdrawn by the originating authority and may also be decided or modify by trial court or the court having jurisdiction over the concerned police station upon an appropriate application. The petitioners submit that they had fully cooperated with the investigation being carried out by the CBI. Even as per the reply filed by the CBI, it appears that only against petitioner no.2 the charge-sheet has been filed and no LOC was

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opened against petitioner no.1.

4. Be that as it may, the petitioner no.2, if is agreed by the issuance of the LOC by the CBI, shall be at liberty to approach the concerned Court for its cancellation in view of the change of circumstances.

5. Granting that liberty, the instant petition stands disposed of. Pending applications also stand disposed of.

PURUSHAINDRA KUMAR KAURAV, J

FEBRUARY 25, 2026

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