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

+ **W.P.(C) 12255/2022**

Date of Decision: **13.05.2026**

IN THE MATTER OF:

ANUJ GARG

.....Petitioner

Through: Mr. Manohar Malik, Ms. Astha Gumber, Advs.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Ms. Sunanda Shukla, SPC for UOI.
Mr. Rahul Tyagi, Standing Counsel
for ED with Mr. Sangeet Sibou, Mr.
Aniket Kumar Singh and Mr.
Priyansh Raj Singh Senger, Advs.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

JUDGEMENT

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

1. The petition is for the following reliefs:

- “a. Issue writ of certiorari quashing the office memorandum bearing No. 25016/10/2017-IMM(Pt) dated 22.02.2021, issued by the Respondent No. 1 i.e., Immigration Department, Ministry of Home Affairs, Government of India for being unconstitutional on vice of Article 14 & 21 of the constitution and;*
- b. Issue appropriate writ setting aside and quashing of Look Out Circular issued by Respondent No.2 qua the Petitioner for being unconstitutional on the vice of Article 14 & 21 of the Constitution;*
- c. Issue such other writ or direction or order, which this Hon'ble Court may deem fit and proper under the facts and circumstances of the case.”*

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By:PURUSHAINDRA
KUMAR KAURAV



2. The Look Out Circular (LOC) seems to have been issued at the instance of the respondent No. 2, State Bank of India (SBI). The facts of the case would indicate that the company namely M/s Zync Global Pvt. Ltd. ('the company') availed credit facilities from a consortium of banks, including SBI. The petitioner was a director of the company for a limited period from 15.03.2012 to 01.07.2014.

3. In the year 2014, the company defaulted in the payment of the said loans. The account of the company was declared a Non-Performing Asset (NPA) and subsequently classified as a 'fraud'. During the period 2019-2021, the petitioner came to know about the opening of the LOC at the behest of SBI. The petitioner later came to know that the fraud declaration pertaining to the company had been set aside by this Court vide order dated 12.05.2023 in W.P.(C) No. 306/2019.

4. During the pendency of the petition, the petitioner was allowed to travel abroad on seven separate occasions by this Court vide orders dated 08.09.2022, 10.10.2022, 21.07.2023, 09.04.2024, 19.03.2025, and 13.03.2026. On each occasion, he complied with the terms and conditions imposed and has reported back to India within the stipulated time.

5. What, thus, transpires is that no criminal case is pending against the petitioner in connection with the affairs of the company. The SBI has already initiated recovery proceedings before the Debt Recovery Tribunal (DRT) and has sold collateral properties under the SARFAESI Act. There is no allegation of non-cooperation of the petitioner in any manner whatsoever. The complicity of the petitioner has not yet emerged. He has not been arrested, and no chargesheet has been filed against him. Further, there does not seem to be any element of flight risk as the petitioner has earlier



travelled abroad on multiple occasions and has reported back without fail.

6. This Court in *Ritu Singhal v. Bureau of Immigration & Ors.*¹ 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*², *Karti P. Chidambaram v. Bureau of Immigration*³, *Viraj Chetan Shah v. Union of India*⁴, *Bank of Baroda v. Sahil Chugh*⁵, *Rajesh Kumar Mehta v. Union of India*⁶, *Apurve Goel v. Bureau of Immigration*⁷, *Brij Bhushan Kathuria v. Union of India*⁸, *Shalini Khanna v. Union of India*⁹, *Puja Chadha v. Directorate of Enforcement*¹⁰, *Prashant Bothra v. Bureau of Immigration*¹¹, *Anant Raj Kannoria v. Union of India & Anr.*¹², *Maria Ramesh v. Union of India & Ors.*¹³, *Ritwick Dutta v. Union of India & Ors.*¹⁴. 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

¹2026:DHC:3806.

²2010 SCC OnLine Del 2699.

³2018 SCC OnLine Mad 2229.

⁴2024 SCC OnLine Bom 1195.

⁵2025 SCC OnLine Del 9282.

⁶2024 SCC OnLine Del 4153.

⁷2023: DHC:6886.

⁸2021 SCC OnLine Del 2587.

⁹2024 SCC OnLine Del 837.

¹⁰2025: DHC:8787.

¹¹2023 SCC OnLine Cal 2643.

¹²W.P.(C) 3313/023 decided on 09.01.2026.

¹³W.P.(C) 15701/2022 decided on 27.01.2026.

¹⁴W.P.(C) 12862/023 decided on 02.02.2026.



any other fundamental right. Executive instructions cannot be a substitute 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 ineffectual, 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.

7. For the abovementioned reasoning and justification, the LOC issued at the instance of the SBI deserves to be set aside under the following terms and conditions:

- (i) The petitioner shall cooperate with the ongoing and/or future investigations, if any, instituted at the behest of any concerned investigation agency in connection with the affairs of M/s Zync Global Pvt. Ltd.
- (ii) The petitioner shall be entitled to travel abroad without any prior permission from this Court. The petitioner shall, however, intimate the respondent No. 2 (SBI), with his 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 at least 24 hours prior to the travel.
- (iv) If, in the future, a chargesheet is filed against the petitioner in any



2026:DHC:4491



criminal proceeding directly relating to the facts of this case, the petitioner shall thereafter approach the concerned jurisdictional Court for permission to travel abroad, and this order shall not be deemed to confer any immunity from such process.

(v) If, pursuant to any change in law or other supervening event, including but not limited to any declaration by a Court affirming the competence or jurisdiction of financial institutions to seek issuance of LOCs, such institutions/agencies shall be at liberty to seek issuance of LOCs in accordance with law.

8. With the aforesaid observations, the instant petition stands disposed of.

PURUSHAINDRA KUMAR KAURAV, J

MAY 13, 2026
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