



2026:DHC:1842



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

+ **W.P.(C) 14519/2024**

Date of Decision: **26.02.2026**

IN THE MATTER OF:

RAJESH MONGA

.....Petitioner

Through: Mr C S Gupta and Nilay Gupta and
Mr. Mukut, advocates

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Ripudaman Bhardwaj, CGSC,
Mr. Kushagra Kumar and Mr. Amit
Kumar Rana Advs., UOI.
Mr. Amit Kasera, Adv. for R-2
(through v/c)
Mr. Arun Aggarwal with Mr.
Lovelesh Kukreja and Ms. Kajal
Ashok Mishra, Advocates for R-3.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

J U D G E M E N T

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

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1. The petition is for the following reliefs:

1. *Issue a Writ, Order or direction in nature of a Certiorari or any other appropriate writ quashing the Look Out Circulars' opened against the petitioner by the Respondents; and*
2. *Issue a Writ, Order or direction in the nature of Certiorari or any other appropriate writ quashing the Look-Out-Circular's opened against the petitioner on the request made by:*
 - (a) *Respondent No. 2 Bank – India Bank (earlier Allahabad bank now merged) against the petitioner;*
 - (b) *Respondent o. 3 Bank- Bank of Baroda against the petitioner.*
3. *Pass any further order or orders, direction or directions as this Hon'ble Court may deem fit and proper.*

2. The petitioner is a Director and shareholder of Emmsons International Limited, an Indian incorporated company engaged in international business operations, including coal mining projects through its subsidiary Emmsons Gulf DMCC, Dubai. It appears that petitioner has executed certain loan documents and stood as guarantor in respect of credit facilities availed by the borrower Company from a consortium of banks led by respondent no. 3 – Bank of Baroda, with respondent no. 2 – Indian Bank (formerly Allahabad Bank).

3. The petitioner submits that respondent-Banks have requested respondent no. 4 – Bureau of Immigration, under the Ministry of Home Affairs, to open Look Out Circulars against him. However, the respondent-Banks have neither provided any written communication nor disclosed the details, reasons, or copies of the LOCs. The facts of the case would indicate that there is no criminal investigation pending against the petitioner, neither any FIR nor any charge-sheet has been filed till date. However, various cases seem to be pending before different forums of recovery.

4. It appears in the instant case that the LOC has been opened at the

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instance of the Indian Bank.

5. Mr. Aggarwal, learned counsel for the respondent who appears for the Bank of Baroda submits that at his instance no LOC has been opened.

6. In view of aforesaid, reliance has been placed on the case of **Vineet Gupta vs. Union of India**¹, wherein it has considered the power of the financial institutions as to whether at their instance, a LOC can be opened.

In paragraph no. 28 of the said judgment, this Court has held as under:

“28. On the conspectus of the aforesaid 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;

(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

¹ 2026:DHC:1616



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."*

7. In view thereof, there is no reason as to why the same directions should not be issued. Accordingly, the impugned LOC, at the instance of Indian Bank stands quashed.
8. The petitioner also undertakes to cooperate in all the recovery cases wherever they are pending. The same undertaking has also been placed on record.
9. The Indian Bank is also directed to send a consequential communication to the concerned Authority(s).
10. With the aforesaid directions, the petition, along with pending

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application(s), if any, stands disposed of.

(PURUSHAINDRA KUMAR KAURAV)
JUDGE

FEBRUARY 26, 2026
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