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

+ W.P.(C) 14855/2024 and CM APPL. 80159/2025

Date of Decision: **25.02.2026**

**IN THE MATTER OF:**

MRS. SAPNA GUPTA AND ANR.

....Petitioners

Through: Mr. Rajul Shrivastav and Mr. Arnav  
Chaudhary Advocates.

versus

UNION OF INDIA AND ANR.

....Respondents

Through: Mr. Ripudaman Bhardwaj CGSC with  
Mr. Rudra paliwal, GP for UOI.  
Mr. Arun Aggarwal and Kajal Ashok  
Mishra, Advocates for R-2.

**CORAM:**

**HON'BLE MR. JUSTICE PURUSHAINDR KUMAR KAURAV**

**J U D G E M E N T**

**PURUSHAINDR KUMAR KAURAV, J. (ORAL)**

Admittedly, the Look Out Circulars ('LOCs') have been issued against the petitioners at the instance of the Bank.

2. There does not seem to be any investigation being carried out by any of the investigating agencies. The power of the Charman, Managing Director or Chief Executive Officer of the Public Sector Banks with respect to opening of the LOC has been decided by this Court in the case of *Vineet*



***Gupta vs. Union of India***, <sup>1</sup>. The relevant paragraph is extracted as under:

*“28. 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;*

*(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*

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<sup>1</sup> 2026 DHC 1616



*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.”*

3. In view thereof, the LOCs at the instance of the Bank will have to be set aside. Accordingly, the same stands quashed. The petition, along with pending application(s), if any, stands disposed of.

**PURUSHAINDRA KUMAR KAURAV, J**

**FEBRUARY 25, 2026**

aks/ss.