



2026:DHC:8089



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
CNR No. DLHC010207492024
+ **W.P.(CRL) 1185/2024**

Date of Decision: **18.09.2026****IN THE MATTER OF:**

SURESH KUMAR VARMAPetitioner
Through: Mr. Anurag Anand, Advocate.

versus

UNION OF INDIA AND ORSRespondents

Through: Ms. Anubha Bhardwaj, SPP for CBI
with Ms. Ananya, Advocate for R-2.
Ms. Radhika Bishwajit Dubey, CGSC
with Ms. Gurleen, Advocate for R-
BOI.

CORAM:**HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****J U D G E M E N T****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)**

1. The instant petition seeks the quashment of the Look Out Circular ('LoC') issued against the petitioner by respondent no. 2 at the behest of the respondent no. 4 in connection with FIR/RC No. RC0502023A0001/2023.
2. It appears that the petitioner herein is an accused in FIR/RC No. RC0502023A0001/2023 filed by the CBI for the offence punishable under Sections 420/468/471 of the Indian Penal Code, 1860 ['IPC'] and Section 13(2) r/w Section 13(1)(d) of the Prevention of Corruption Act, 1988 (as

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amended in 2018). The petitioner allegedly was not responding to the notices, which resulted in the impugned LoC being opened against him.

3. The allegation in brief as per the FIR is that, M/s Noesis Industries Ltd (Formerly M/s MVL Industries Ltd) and its Directors Mr. Prem Adip Rishi, Mr. Rajesh Galhotra, Ms. Kalpana Gupta, Mr. Vijay Kumar Sood, Mr. Rakesh Gupta and Mr. Suresh Kumar Varma along with unknown public servants and private persons entered into a criminal conspiracy and deliberately with common intention to defraud banks, made false representations from time to time and induced the banks to lend the money under the credit facilities and loan amount was dishonestly misappropriated and siphoned off by the company and its directors.

4. The credit facilities obtained from the consortium banks have been allegedly used by the company and its directors in violation of various joint loan and security documents. The consortium banks are stated to have extended working capital credit facilities and their enhancement from time to time solely on the basis of the representations extended by the company and its directors.

5. It appears that in relation to the FIR which was filed in the year 2023, no charge sheet has been filed. The FIR, till today, is pending for further investigation. In ***Ritu Singhal v. Buteau of Immigration and Ors.***,¹ this Court, after discussing a catena of decisions on the law of LoC, arrived at the following important and relevant conclusions:

“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 any other

¹ 2026:DHC:3806.



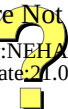
fundamental right. Executive instructions cannot be a substitute for legislative mandate for the possible restriction of fundamental rights. Second, an LOC is a coercive executive measure of last resort. It is not a routine tool for law enforcement or debt recovery. Recourse to an LOC may be taken only 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.

...

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."

6. The CBI in its counter-affidavit has nowhere indicated a pressing, urgent, and alive need that would allow the subsistence of the LoC against the petitioner herein. Learned counsel for the petitioner has submitted that the petitioner would not leave the country without prior intimation to the





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Investigating Agency and the permission of the jurisdictional Magistrate. The aforesaid statement of the petitioner adequately protect the interests of the CBI.

7. In view of the aforesaid, the LOC issued against the petitioner is hereby set aside. Accordingly, the same stands disposed of.

8. Liberty is, however, granted to the respondent no. 2-CBI to issue a fresh LOC, if the circumstances so warrant.

(PURUSHAINDRA KUMAR KAURAV)
JUDGE

SEPTEMBER 18, 2026
Nc/Rao

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