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

CNR No. DLHC010398832026

+ **W.P.(CRL) 2587/2026**

SANJAY DANGI

.....Petitioner

Through: Mr. Dayan Krishnan, Sr. Adv. with
Mr. Daanish Abbasi, Ms. Radhika
Yadav, Advs.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Mahendra Vikram Singh, SPC,
Mr. Vanshul Pali, GP, Mr. Kartik
Khullar, Ms. Ayushika Mishra,
Ms. Riya Garg, Ms. Nandini Singh,
Ms. Nidhi Adarsh, Advs. for R-1 &
R-2.
Mr. Zoheb Hossain, Sr. Adv., Mr.
Annirudh Sharma, Panel Counsel for
ED, Mr. Prakhar Bhardwaj, Mr.
Pranjal Tripathi, Advs., Mr. Vikas
Yadav, Enforcement Officer.

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CNR No. DLHC010401842026

+ **W.P.(CRL) 2603/2026 & CRL.M.A. 31979/2026**

AMIT DANGI

.....Petitioner

Through: Mr. Karan Kadam and Mr. Daanish
Abbasi, Advs.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Mahendra Vikram Singh, SPC,
Mr. Vanshul Pali, GP, Mr. Kartik
Khullar, Ms. Ayushika Mishra,
Ms. Riya Garg, Ms. Nandini Singh,
Ms. Nidhi Adarsh, Advs. for R-1 &



R-2.

Mr. Zoheb Hossain, Sr. Adv., Mr. Annirudh Sharma, Panel Counsel for ED, Mr. Prakhar Bhardwaj, Mr. Pranjal Tripathi, Advs., Mr. Vikas Yadav, Enforcement Officer.

CORAM:
HON'BLE MS. JUSTICE MADHU JAIN

ORDER
16.10.2026

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1. This hearing has been done through hybrid mode.
2. The present petitions, being ***W.P.(CRL) 2587/2026*** and ***W.P.(CRL) 2603/2026***, have been filed by the petitioners Sanjay Dangi and Amit Dangi, respectively, under Article 226 of the Constitution of India read with Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 [hereinafter referred to as 'BNSS'], seeking quashing of the respective Look Out Circulars [hereinafter referred to as 'LOCs'] opened against them by the Bureau of Immigration at the instance of the Directorate of Enforcement [hereinafter referred to as 'ED'] in connection with ***ECIR/STF/17/2025***. Since the petitions arise from the same investigation and involve common questions of fact and law concerning the issuance and continued operation of the LOCs, they have been heard together and are being disposed of *vide* this common judgment.

FACTS OF THE CASE

3. The controversy in the present petitions has its origin in investigations conducted into the alleged financial irregularities in Reliance Commercial Finance Limited [hereinafter referred to as 'RCFL'] and Reliance Home Finance Limited [hereinafter referred to as 'RHFL'] during the period from



2017 to 2019, when the companies were under their erstwhile management. The petitioners' association with these companies arises through Authum Investment and Infrastructure Limited [hereinafter referred to as 'Authum'], which subsequently acquired RCFL and, through RCFL, an identified business undertaking of RHFL.

4. Petitioner Amit Dangi has been a director of Authum since September 2020 and petitioner Sanjay Dangi served as a director of Authum from 21.04.2021 to 30.09.2024 and is presently stated to be an adviser to its Board.

5. On 19.09.2022, the Central Bureau of Investigation [hereinafter referred to as 'CBI'] registered **FIR Nos. RC2242022A0002 and RC2242022A0003** in relation to RCFL and RHFL, respectively, for offences under Sections 120-B and 420 of the Indian Penal Code, 1860 [hereinafter referred to as 'IPC'], and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988 [hereinafter referred to as 'PC Act']. Neither petitioner was named as an accused in either FIR.

6. The resolution of RCFL was undertaken under the Reserve Bank of India's Prudential Framework for Resolution of Stressed Assets dated 07.06.2019. A Resolution Implementation Memorandum was thereafter executed on 30.09.2022, followed by a Supplemental Resolution Implementation Memorandum dated 14.10.2022, pursuant to which Authum acquired the shares and assumed control of RCFL.

7. In relation to RHFL, the Supreme Court permitted implementation of the resolution plan on 03.03.2023. Thereafter, a Business Transfer Agreement dated 29.03.2023 was executed for the transfer of an identified business undertaking of RHFL, comprising specified assets and liabilities, to RCFL. The transfer is stated to have been completed on 31.03.2023.



8. On 19.04.2024, the CBI called upon Authum to furnish documents in connection with its investigation. According to the petitioners, the documents and assistance sought by the investigating agency were provided.

9. On 22.07.2025, the ED recorded **ECIR/STF/17/2025** on the basis of the scheduled offences arising from the aforesaid FIRs registered by CBI. Searches were conducted on 24.07.2025 and 25.07.2025 at premises connected with Authum and the petitioners. Summons under Section 50 of the Prevention of Money Laundering Act, 2002 [hereinafter referred to as 'PMLA'], were thereafter issued to the petitioners, who appeared pursuant thereto and whose statements were recorded on several dates.

10. Following an investigation into the two FIRs dated 19.09.2022 registered by CBI, a combined charge-sheet was filed before the Special CBI Court at Mumbai on 18.09.2025. Neither petitioner was arrayed as an accused in the said charge-sheet also.

11. On 16.10.2025, Amit Dangi was stopped by the immigration authorities at Mumbai International Airport while proposing to travel to Dubai. According to him, it was on this occasion that he first learnt of the LOC operating against him. Sanjay Dangi, apprehending that an LOC had also been opened against him, addressed communications to the ED seeking confirmation of its existence and parallelly its withdrawal or suspension. He states that no response was received.

12. The scope of the investigation under **ECIR/STF/17/2025** was subsequently expanded through successive addenda. **FIR No. RC0742025A0008** dated 06.12.2025 was included by an addendum dated 10.12.2025, while **FIR No. RC0742025A0007**, also dated 06.12.2025, was added on 06.02.2026. By a further addendum dated 25.03.2026, **FIR No. 61**



dated 12.03.2026, registered by the Economic Offences Wing [hereinafter referred to as 'EOW'], Mumbai, was also included. On 28.04.2026, further complaints received from various banks and merged into **FIR Nos. RC0742025A0007** and **RC0742025A0008** were also made part of the ECIR. Neither petitioner was named as an accused in these FIRs also.

13. The ED thereafter filed a prosecution complaint dated 12.06.2026 arising from the concerned ECIR before the learned Special Judge (PMLA), Rouse Avenue Courts, New Delhi, which was registered as **CT Case No. 46/2026**. *Vide* order dated 11.08.2026, the learned Special Judge issued pre-cognizance notices to the proposed accused persons. Neither petitioner was arrayed as an accused in the prosecution complaint either. While Sanjay Dangi was not cited as a witness, Amit Dangi was cited as prosecution witness No. 130.

14. The petitioners initially challenged the LOCs before the Bombay High Court in **Criminal Writ Petition (ST) No. 10037/2026**. On 20.08.2026, the said petition was withdrawn after the ED stated that the appropriate forum for the relief sought would be a competent court in Delhi and that it would not raise an objection to territorial jurisdiction if the petitioners approached such Court. The Bombay High Court granted liberty accordingly and left all questions on merits open. The petitioners thereafter instituted the present writ petitions.

15. During the pendency of these petitions, the petitioners also sought temporary suspension of the LOCs to enable them to travel abroad for business engagements. Sanjay Dangi, by way of **CRL.M.A. 26181/2026** in **W.P.(CRL) 2587/2026**, sought permission to travel to the United States of America [USA] from 26.08.2026 to 03.09.2026 and from 15.09.2026 to



24.09.2026. Amit Dangi by way of **CRL.M.A. 26434/2026** in **W.P.(CRL) 2603/2026** sought permission to travel to the United Arab Emirates [UAE] from 09.09.2026 to 13.09.2026. The matters were taken up on 25.08.2026 and listed for orders on 01.09.2026.

16. *Vide* a common order dated 01.09.2026, this Court disposed of the applications for temporary suspension of the LOCs and permission to travel abroad, granting liberty to the petitioners to approach the learned Special Court at Delhi before which the prosecution complaint was pending. The learned Special Court was directed to consider any such applications expeditiously, on their own merits and in accordance with law, after affording a reasonable opportunity of hearing to the other side. This Court expressly clarified that the liberty so granted was confined to the temporary travel relief and that the challenge to the issuance and continued operation of the LOCs remained pending for independent consideration in the present writ petitions.

SUBMISSIONS ADVANCED

On behalf of Sanjay Dangi.

17. Mr. Krishnan, the learned senior counsel appearing for the petitioner Sanjay Dangi, begins his submissions by drawing the attention of this Court to the relevant part of the reply filed by the ED in **W.P.(CRL.) 2603/2026** concerning petitioner Amit Dangi. He points out that the ED has stated therein that it has no objection, in principle, to Amit Dangi travelling abroad, subject to the imposition of appropriate conditions to secure his availability and continued cooperation during the investigation.

18. He further invites the attention of this Court to the counter-affidavit filed by ED in **W.P.(CRL.) 2603/2026**, wherein the ED has stated that it was not *per se* opposing the petition filed by Amit Dangi and that the same could



be allowed subject to appropriate conditions. It is submitted that, on ED's own showing, his client, Sanjay Dangi, who has neither been arrayed as an accused nor cited as a witness in the prosecution complaint, cannot be placed on a more stringent footing. Without prejudice, he is stated to have no assets outside India and expresses his willingness to furnish security and abide by such conditions as may be imposed by this Court.

19. He further contends, that the LOC could not have been issued against his client, Sanjay Dangi, under the governing parameters set out in the Office Memorandum dated 22.02.2021 [hereinafter referred to as 'OM'], which incorporates the principles laid down in ***Sumer Singh Salkan v. Asstt. Director, 2010 SCC OnLine Del 2699***. It is contended that his client is not an accused and has never evaded the process of investigation, rather, he has duly appeared in response to every summons issued by the ED. The circumstances warranting recourse to an LOC are, therefore, stated to be wholly absent in his case.

On behalf of Amit Dangi

20. Mr. Kadam, the learned counsel appearing on behalf of Amit Dangi, points out that the prosecution complaint arises from two predicate FIRs, in which a combined charge-sheet is presently pending before the Special CBI Court at Mumbai. He submits that those proceedings would first have to be transferred to the competent Special Court at Delhi in terms of Section 44 of the PMLA. That the applications for discharge would thereafter have to be considered and charges, if any, would have to be framed before the trial could commence. According to him, Amit Dangi, who is merely one of the prosecution witnesses, cannot be prevented from travelling indefinitely while the ED completes these procedural steps.



21. He further submits, that ED's plea regarding the necessity of securing his continued presence is negated by its own admission that, pursuant to three summons, he appeared before the Investigating Officer (IO) on eight occasions, had his statements recorded under Section 50 of the PMLA and remained associated with the investigation over a considerable period of time. He points out that this admission was contained in the ED's reply dated 19.08.2026, filed on oath in **Interim Application No. 16299/2026 in Criminal Writ Petition (ST) No. 10037/2026** before the Bombay High Court, but was omitted from the subsequent reply filed in **W.P.(CRL.) 2603/2026**. He further submits that Amit Dangi was last required to appear before the ED on 14.05.2026 and that no fresh summons have been issued to him thereafter. It is contended that, despite describing the further investigation as being at a crucial stage, the ED has not required his presence since May 2026. According to him, this circumstance further belies the asserted necessity of securing his continued presence in India.

22. It is urged that, the prosecution complaint having already been filed and Amit Dangi being only a prosecution witness, the LOC cannot be continued indefinitely to secure his presence at a future trial, nor can the same object be achieved indirectly by imposing unwarranted restrictions upon his travel.

23. It is further submitted that the ordinary parameters governing the issuance of an LOC contemplate a person who is evading arrest, avoiding investigation or failing to appear before the Trial Court despite coercive measures. It is contended that Amit Dangi does not fall within any of these categories. Learned counsel further places reliance upon the decision of the Karnataka High Court in **Sudarshan Ramesh v. Union of India, 2023 SCC OnLine Kar 71**, to submit that an LOC may be issued against a witness in



exceptional circumstances where he does not cooperate with the investigation. He contends that continued restraint upon a cooperating witness cannot rest on mere suspicion or on the investigating agency's dissatisfaction with the information furnished by him. It is submitted that the principle applies to Amit Dangi, whose cooperation has been expressly acknowledged by the ED and who has been cited only as a prosecution witness.

24. He further submits that the governing OM requires the originating agency to review an LOC quarterly and annually and to submit a proposal for deletion where its continuation is no longer warranted. He further submits that a request for withdrawal of the LOC had already been made to the ED, but the LOC continued to remain in force.

25. It is contended that the continued subsistence of the LOC, despite the aforesaid circumstances, is contrary to the OM and violative of the fundamental rights guaranteed to Amit Dangi under Articles 14, 19 and 21 of the Constitution of India.

On behalf of ED

26. Mr. Zoheb Hossain, learned Senior Counsel appearing on behalf of respondent No. 3, i.e. the ED, in both petitions, submits that an LOC may continue even though the person concerned has not yet been named as an accused. He further submits that the investigation concerning Sanjay Dangi is ongoing and that material, including statements of persons closely associated with his affairs, has been collected and requires further examination. On this basis, he submits that the ED considers his continued presence in India necessary and describes him as a flight risk.

27. The learned Senior Counsel contends that the petitioners ought, in the first instance, to approach the competent Special Court for suspension or



cancellation of their respective LOCs. According to him, an LOC operates in a manner *akin* to a non-bailable warrant [hereinafter referred to as an ‘NBW’], and the court seized of the criminal proceedings is best placed to consider whether the LOCs should continue or not. In support of this submission, he relies upon the order dated 20.08.2026 passed by the Bombay High Court in ***Criminal Writ Petition (ST) No. 10037/2026***, whereby the petitioners were permitted to withdraw the said petition with liberty to approach the appropriate court at Delhi, with all questions on merits left open. Mr. Hossain further submits that the scope of interference by this Court in exercise of its writ jurisdiction is limited, particularly where the economic interests of the country are involved.

28. In support of the aforesaid submissions, Mr. Hossain relies upon ***Sumer Singh Salkan v. Asstt. Director (supra)***, wherein a Coordinate bench of this Court observed that a person against whom an LOC has been issued may approach the officer at whose instance it was issued or seek its rescission from the Trial Court where the case is pending, or from the court having jurisdiction over the police station concerned. On the strength of the decision in the aforesaid judgment, he contends that the remedy before the criminal court is available even where the person concerned has not yet been formally arrayed as an accused. Reliance is also further placed upon ***Shivani Saxena v. Directorate of Enforcement, 2022 SCC OnLine Del 785***, wherein an another Coordinate bench of this Court held that a writ court may exercise self-restraint where the Special Court provides a more efficacious remedy and is already seized of the facts and material forming part of the complaint. Lastly, he relies upon an order dated 24.02.2026 passed in ***Mr. Shyam Poddar v. Union of India & Anr., [W.P.(C) 13011/2024]***, wherein a Coordinate bench



of this Court held that the absence of cognizance does not preclude a person concerned from approaching the Court before which the complaint is pending.

29. The learned Senior Counsel relying upon the aforesaid cited judgments contends that the Special Court before which the concerned prosecution complaint is pending and which has also seized of the matter is the appropriate forum to approach in order to examine the necessity and proportionality of the concerned LOCs.

30. Mr. Hossain, learned Senior Counsel for the ED, further relies upon the decision in ***Jai Singh v. Union of India, (1977) 1 SCC 1*** to contend that a litigant cannot be permitted to pursue two parallel remedies in respect of the same subject matter at the same time. It is submitted that Amit Dangi, having already approached the learned Special Court and obtained temporary suspension of the LOC for the purpose of foreign travel, cannot simultaneously seek substantially the same relief in writ proceedings. According to the ED, the jurisdiction of the learned Special Court to suspend an LOC temporarily, necessarily carries with it the jurisdiction to consider its final rescission.

On behalf of Sanjay Dangi

31. Mr. Krishnan, in reply, submits that the analogy sought to be drawn between an LOC and an NBW is misplaced. He further submits that an NBW is issued by a court in a pending criminal proceeding and may, therefore, be recalled by that court. An LOC, on the other hand, is an executive measure issued at the instance of an investigating agency. Since Sanjay Dangi has neither been arrayed as an accused nor subjected to any process issued by the Special Court, it is submitted that no criminal proceeding is pending against him in which he may seek recall of the LOC before the Special Court. He



further submits that, on the basis of the aforesaid, his remedy under Article 226 of the Constitution of India cannot be displaced.

32. Mr. Krishnan further relies upon the judgment of a coordinate Bench of this Court in ***Ritu Singal v. Bureau of Immigration & Ors., 2026:DHC:3806***, to submit that the Court in this case drew a distinction between cases where no prosecution was pending against the person subjected to the LOC and those where such person had already been arrayed as an accused in a pending charge-sheet or complaint. It is pointed out that, in one such case, although the ED had filed a complaint against other persons and sought continuance of the LOC on the ground that the proceeds of crime were yet to be identified, the person concerned had not been proposed as an accused. That the Court entertained the writ petition and set aside the LOC. That, in contrast, persons who had themselves been arrayed as accused in pending criminal proceedings were relegated to the competent criminal courts. It is, therefore, contended that Sanjay Dangi falls within the former category and cannot be relegated to the Special Court merely because a prosecution complaint arising from the same ECIR is pending against other persons.

33. Mr. Krishnan also relies upon ***Dhruv Tewari v. Enforcement Directorate, 2022 SCC OnLine Del 1893***, wherein the petitioner had not been arrayed as an accused either in the predicate offences or in the ECIRs and was subsequently cited only as a witness in the prosecution complaint. The Court held that the issuance and continuance of a preventive or detentive LOC against such a person was unwarranted. It is, therefore, contended that the principle laid down therein applies to the present cases, since Sanjay Dangi has not been arrayed as an accused, whereas Amit Dangi has only been cited



as a prosecution witness.

34. He additionally places reliance upon ***Brij Bhushan Kathuria v. Union of India, 2023 SCC OnLine Del 1860*** and ***Anuj Garg v. Union of India, 2026 SCC OnLine Del 4558***, to submit that where no criminal case is pending against the person concerned and such person has neither been arrested nor charge-sheeted, a detentive LOC cannot be continued merely on the basis of an apprehension of future proceedings. It is submitted that, at the highest, the originating agency may seek intimation regarding the person's arrival or departure, without prejudice to its right to seek appropriate orders if the person is subsequently arraigned in accordance with law.

On behalf of Amit Danqi

35. On the question of forum, Mr. Kadam appearing for Amit Dangi submits that, the jurisdiction of this Court under Article 226 of the Constitution of India remains available to protect the petitioner's fundamental rights. That the power of the Special Court, if any, may provide an additional remedy, but cannot operate as an absolute bar to the exercise of writ jurisdiction where no criminal proceeding is pending against the petitioner. Reliance is placed upon ***Radha Krishan Industries v. State of H.P., (2021) 6 SCC 771*** in response to the objection founded upon the availability of an alternate remedy. It is submitted that the jurisdiction of the High Court under Article 226 of the Constitution is plenary and since the LOC directly restricts the petitioners' right to travel and is challenged for want of the foundational jurisdictional facts, the availability of recourse before the learned Special Court would not, by itself, oust the writ jurisdiction of this Court.

On behalf of ED

36. Mr. Hossain relies upon the exceptional category introduced by the



amendment dated 05.12.2017 to the earlier LOC guidelines and now reflected in clause (L) of the concerned OM. The said clause permits an LOC even in cases falling outside the ordinary parameters where the departure of a person may be detrimental to the economic interests of India or contrary to the larger public interest. Having regard to the magnitude of the alleged diversion of public funds and the pendency of further investigation, the ED contends that the case of Sanjay Dangi falls within this exceptional category.

37. Further, relying upon the decision of a Division Bench of this Court in ***Income Tax Dept. v. Vikas Chaudhary, 2026 SCC OnLine Del 5997***, Mr. Hossain submits that the Court, while examining an LOC issued on the ground of economic interests of India, cannot sit in appeal over the satisfaction reached by the originating authority or undertake an independent assessment of the sufficiency of the material before it. That judicial review, though not excluded, is stated to be confined to cases where there is no material whatsoever, the material is wholly speculative, or the decision is shockingly disproportionate. Therefore, it is urged that the present case does not fall within any of these categories, as the ED claims to possess material requiring further investigation.

38. To further strengthen his aforesaid submissions, he places reliance upon the order dated 04.02.2026 passed by the Supreme Court in ***EAS Sarma v. Union of India, W.P.(C) 1217/2025***, as it concerns the same ECIR relating to RCFL and RHFL. The order records the ongoing investigation into substantial defaults involving funds borrowed from banks and financial institutions and calls upon the investigating agencies to examine every possible financial transaction that may have led to the siphoning of funds and to take the investigation to its logical conclusion. It is, therefore, submitted



that the investigation concerns matters of significant public and economic interest and is continuing under the scrutiny of the Supreme Court. In that background, the learned Senior Counsel also urges that this Court ought not to interfere with the LOCs or permit the petitioners to travel abroad at this stage.

On behalf of Sanjay Dangi

39. Mr. Krishnan, on the other hand, submits that the order in ***EAS Sarma v. Union of India (supra)*** concerns the alleged diversion of funds by the erstwhile promoters and does not record any finding that the proposed travel of Sanjay Dangi would be detrimental to the economic interests of India. According to him, the magnitude of the allegations concerning the erstwhile management cannot, by itself, justify invocation of the exceptional ground against a subsequent acquirer who has not been arrayed as an accused. He further submits that, if the ED has collected material implicating Sanjay Dangi, it remains open to the agency to proceed in accordance with law.

40. Mr. Krishnan submits that Authum acquired RCFL and the identified business of RHFL through an open and regulated resolution process undertaken pursuant to the framework of the Reserve Bank of India. It is further submitted that there were multiple bidders, that the resolution plan was approved by the lenders and the competent regulatory authorities and that its implementation was permitted by the Supreme Court itself. On this basis, Sanjay Dangi is described as being associated with a subsequent purchaser and not with the management responsible for the transactions forming the predicate offences.

41. It is further submitted by Mr. Krishnan that the discount at which the assets were acquired, or the alleged haircut was accepted by the lenders, was



an incident of the approved resolution process and cannot be treated as evidence of wrongdoing on the part of the successful resolution applicant. The implementation arrangement entered into by the lenders, the presence of Sanjay Dangi's family and business interests in India and his return to India after travel permitted in the proceedings concerning DHFL are relied upon to contend that neither the acquisition nor the ongoing inquiry warrants an indefinite restraint.

On behalf of ED

42. Mr. Hossain submits that the investigation in the present case relates to the alleged diversion of public funds amounting to approximately Rs. 15,933.65 crore from RHFL and RCFL through shell and group entities. According to him, Sanjay Dangi's association with Authum is neither nominal nor passive, since he was its director from 21.04.2021 to 30.09.2024 and presently acts as an adviser to its Board. The ED further relies upon the acquisition of RCFL for Rs. 1,675 crore and the identified business of RHFL for Rs. 3,351 crore, as against stated outstanding loans exceeding Rs. 10,000 crore in each entity, to contend that the surrounding transactions, the substantial lender haircut and the subsequent dealings with the acquired assets require investigation.

43. According to Mr. Hossain, material gathered during further investigation indicates that the role of Sanjay Dangi may extend beyond that of a person associated with a successful resolution applicant and may concern the winding-up of shell or dummy entities allegedly used in the diversion of funds. It is submitted that money laundering is a continuing offence and that the ED is entitled to trace subsequent financial transactions and, if warranted, place further material or arraign additional persons through a supplementary



complaint. That the absence of Sanjay Dangi's name from the existing prosecution complaint is therefore stated not to be conclusive at the present stage.

44. By way of the additional affidavit, the ED further states that Bank of Baroda, which is stated to be the lead lender, has addressed a complaint to the CBI alleging malpractice, fraud and criminal conspiracy in relation to the resolution process. It is stated that the ED has sought information from the CBI regarding the status of the said complaint and whether any formal case has been registered. According to the ED, this circumstance, read with the financial structure of the transaction already adverted to and the role attributed to Sanjay Dangi during the approval and implementation of the resolution process, renders cancellation of the LOC premature at the present stage.

On behalf of Sanjay Dangi

45. Learned Senior Counsel for Sanjay Dangi further refers to clause 4.1.4 of the Resolution Implementation Memorandum, executed by the lender banks, including Yes Bank, to submit that the lenders had agreed to withdraw proceedings, claims and restrictions against RCFL and its new promoters, directors and officers and to remove the adverse classifications referred to therein. It is urged that the alleged commercial haircut accepted by the lenders under a regulated resolution process, approved by the concerned authorities and permitted to be implemented by the Supreme Court, cannot, without any further incriminating material, be treated as an adverse circumstance against the incoming management.

On behalf of Amit Dangi

46. The learned counsel appearing on behalf of Amit Dangi supplementing the submissions advanced by Mr. Krishnan, refers to the Reserve Bank of



India (Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions) Directions, 2024, dated 15.07.2024. He submits that these directions contemplate reconsideration of fraud classification following implementation of a resolution plan resulting in a change in management and provide that the penal measures specified therein shall not apply to the restructured entity after implementation of the plan. He acknowledges that criminal action and the specified penal measures may continue against the erstwhile promoters, directors and persons responsible for the earlier management.

47. The implementation memorandum, stated to have been executed by thirty-six lenders after examining the absence of any connection with the former promoter group, is relied upon to emphasise the distinction between the erstwhile management and the new management following implementation of the resolution process.

48. He also refers to the allegations set out in the prosecution complaint to submit that the role in the alleged diversion has been attributed to members of the erstwhile promoter group and other named persons, and not to Amit Dangi or Authum. It is contended that an undisclosed statement or material which did not result in Amit Dangi being arraigned when the complaint was filed cannot be invoked in the present proceedings as an indefinite basis for restricting his travel. He further submits that the mere pendency of further investigation cannot justify compelling a person cited only as a witness to remain in India indefinitely.

On behalf of Sanjay Dangi

49. In rejoinder, learned Senior Counsel for Sanjay Dangi submits that the complaint stated to have been made by Bank of Baroda has neither been



annexed to the additional affidavit nor supplied to the petitioners. The affidavit does not disclose the persons against whom the complaint has been made, nor does it identify any subsisting scheduled offence, FIR or formal CBI investigation implicating Sanjay Dangi. The statement that the ED is ascertaining whether any case has been registered is stated to demonstrate that the matter presently rests only upon the possibility of a future proceeding. It is urged that, in the absence of an existing jurisdictional fact, a speculative possibility of future arraignment cannot sustain the present restraint upon the petitioner's right to travel. It is further submitted that the last summons issued to Sanjay Dangi was dated 22.08.2025, that he complied with the summons issued to him and that no instance of non-cooperation or disobedience has been alleged.

ANALYSIS AND FINDINGS

50. This Court has heard the learned counsel(s) for all the concerned parties and has also perused the material placed on record.

51. The questions which arise for consideration of this Court in the present writ petitions are whether the petitioners ought to be relegated to the learned Special Court seized of the complaint and whether, the continued operation of the respective LOCs is justified as per the facts and circumstances that currently exist.

52. It is clarified, that the merits of the allegations under investigation are not being adjudicated upon in the present writ petitions.

53. At the outset, the objection concerning the availability of an alternate remedy before the learned Special Court must be examined in light of the order dated 01.09.2026 passed by this Court. *Vide* the said order, the applications on behalf of the petitioners seeking temporary suspension of the



LOCs for their respective specified journeys were disposed of with liberty to approach the learned Special Court seized of the complaint, for the same. The challenge to the issuance and continued operation of the LOCs was expressly kept pending for independent consideration of this Court. The said order neither determined the merits of that challenge nor relegated the petitioners to the learned Special Court for adjudication of the substantive relief sought herein.

54. In ***Sumer Singh Salkan v. Asstt. Director (supra)***, a Coordinate Bench of this Court recognised the remedies available to a person against whom an LOC has been issued, including approaching the originating authority or the competent criminal court for its withdrawal or rescission. While considering the applications for temporary travel permission, this Court, in its order dated 01.09.2026, construed the expression “*person concerned*” used in the aforesaid decision and held that arraignment as an accused was not a condition for maintaining such an application before the learned Special Court. The availability of that remedy, however, does not, by itself, exclude the jurisdiction of this Court under Article 226 of the Constitution of India. Whether the present petitions ought to be entertained must be considered having regard to the nature of the challenge and the facts and circumstances of the respective cases.

55. In ***Shivani Saxena v. Directorate of Enforcement (supra)*** and ***Mr. Shyam Poddar v. Union of India & Anr. (supra)***, the persons challenging the LOCs had themselves been arrayed as accused in the prosecution complaints pending before the concerned courts. They were, therefore, relegated to those courts to seek relief against the LOCs. The present cases stand on a different footing. Neither petitioner has been arrayed as an accused in the prosecution



complaint and Sanjay Dangi has not been cited as a witness, while Amit Dangi has been cited as prosecution witness No. 130. Those decisions concern persons against whom prosecution complaints were pending. They do not determine whether this Court should decline to entertain the present petitions, in which the challenge to the LOCs was expressly kept pending by the order dated 01.09.2026.

56. In ***Radha Krishan Industries v. State of H.P. (supra)***, the Supreme Court explained that the availability of an effective alternative remedy ordinarily warrants restraint in the exercise of writ jurisdiction, but does not exclude that jurisdiction. Enforcement of a fundamental right is among the recognised exceptions. The present petitions challenge the continued restriction upon the petitioners' right to travel abroad on the ground that the requirements of the governing LOC guidelines are not satisfied. *Vide* the order dated 01.09.2026, this Court left that challenge open and directed the petitioners to approach the learned Special Court only for temporary travel permission. Having regard to the nature of the challenge and the scope of the earlier order, this Court considers it appropriate to examine the validity and continued operation of the LOCs on merits.

57. The ED's reliance upon ***Jai Singh v. Union of India (supra)*** must be considered in the same context. Amit Dangi approached the learned Special Court for permission to undertake a specified journey pursuant to the liberty granted by this Court. That application concerned temporary travel permission, whereas the present petition seeks quashing of the LOC itself. The substantive challenge was expressly kept pending before this Court. His recourse to the learned Special Court under that arrangement cannot, therefore, be treated as pursuing parallel remedies for the same relief.



58. The right to travel abroad is an integral part of the fundamental right to personal liberty guaranteed under Article 21 of the Constitution of India. Any restriction upon its exercise must, therefore, satisfy the constitutional safeguards governing deprivation of personal liberty. In ***Maneka Gandhi v. Union of India, (1978) 1 SCC 248***, the Supreme Court explained that the procedure imposing such a restriction must be just, fair and reasonable, and not arbitrary. An LOC preventing a person from leaving the country directly restricts the exercise of this fundamental right. Its issuance and continuation must accordingly be justified with reference to the applicable guidelines and the circumstances of the person concerned. The pendency of an investigation does not, by itself, provide sufficient justification for restricting that person's right to travel abroad.

59. The issuance and continuation of the LOCs must be considered in the light of the OM dated 22.02.2021. The relevant clauses are reproduced hereunder:

“(H) Recourse to LOC is to be taken in cognizable offences under IPC or other penal laws. The details in column IV in the enclosed Proforma regarding ‘reason for opening LOC’ must invariably be provided without which the subject of an LOC will not be arrested/detained.

(I) In cases where there is no cognizable offence under IPC and other penal laws, the LOC subject cannot be detained/arrested or prevented from leaving the country. The Originating Agency can only request that they be informed about the arrival/departure of the subject in such cases.”

“(L) In exceptional cases, LOCs can be issued even in such cases, as may not be covered by the guidelines above, whereby departure of a person from India may be declined at the request of any of the authorities



mentioned in clause (B) above, if it appears to such authority based on inputs received that the departure of such person is detrimental to the sovereignty or security or integrity of India or that the same is detrimental to the bilateral relations with any country or to the strategic and/or economic interests of India or if such person is allowed to leave, he may potentially indulge in an act of terrorism or offences against the State and/or that such departure ought not be permitted in the larger public interest at any given point in time.”

60. The ED has sought to draw an analogy between an LOC and an NBW. In **Sumer Singh Salkan v. Asstt. Director (supra)**, the Court described an LOC as a coercive measure to secure a person’s presence before the investigating agency or the Court and recognised the power of the competent criminal court to affirm or cancel it. Now this analogy might explain the purpose of the measure and the remedy available against it but it does not establish, that its issuance or continuation is justified in every case. That question must be examined with reference to the applicable guidelines and the circumstances of the person concerned.

61. Even an NBW cannot be issued routinely merely because criminal proceedings are pending. In **Tarsem Lal v. Enforcement Directorate, (2024) 7 SCC 61**, the Supreme Court, relying upon **Inder Mohan Goswami v. State of Uttaranchal, (2007) 12 SCC 1**, held that summons should ordinarily be issued to an accused who was not arrested during investigation. Where summons are avoided, a bailable warrant should ordinarily precede an NBW. The governing consideration is whether the person’s presence can be secured without recourse to the more coercive measure.

62. The ED’s analogy must be considered in light of its stated purpose of securing the petitioners’ attendance. Therefore the petitioners’ compliance



with summons and cooperation with the investigation are relevant to that question. The Court must examine whether the material relied upon relates to the need to prevent their departure, without reassessing its sufficiency or substituting its own view for that of the competent authority. A comparison with an NBW cannot, by itself, justify continuation of an LOC. Equally, an NBW need not be issued before an LOC. The exceptional grounds invoked by the ED under clause 6(L) must be examined separately.

63. In support of its reliance upon clause 6(L), the ED has invoked the economic interests of India and the larger public interest. The clause requires the competent authority to form its satisfaction, on the basis of inputs received, that the person's departure would be detrimental to the interests specified therein or ought not to be permitted in the larger public interest. The inquiry under this clause, therefore, concerns the grounds relating to that person's departure. The seriousness of the allegations and the pendency of further investigation must be considered in relation to those grounds. The Court's examination of the satisfaction so formed is governed by the limits of judicial review explained hereafter.

64. In ***Income Tax Dept. v. Vikas Chaudhary (supra)***, the Division Bench has explained the limited scope of judicial review in such matters. The Court cannot sit in appeal over the satisfaction of the competent authority or undertake a qualitative or quantitative reassessment of the material. Nor is interference warranted merely because the Court forms a different view of the financial magnitude involved. At the same time, judicial review remains available where the action has no supporting material, rests upon wholly speculative considerations or is shockingly disproportionate. The present petitions must be examined within those limits. This Court is not required to



determine whether the transactions under investigation are lawful or whether a supplementary complaint should be filed.

65. The decisions relied upon by the petitioners illustrate the relevance of individual circumstances while considering whether a restraint on departure should continue. In ***Dhruv Tewari v. Enforcement Directorate (supra)***, the Court disapproved a preventive or detentive restraint against a person who had not been arrayed as an accused and was subsequently cited as a witness. Noting that the originating agency had already converted the LOC into one requiring intimation, the Court clarified that the petitioner could not be detained or prevented from travelling on the pretext of furnishing such intimation. In ***Brij Bhushan Kathuria v. Union of India (supra)***, the Court proceeded on the basis of the originating agency having modified the LOC to one requiring intimation. ***Anuj Garg v. Union of India (supra)*** concerned a bank-originated LOC and the petitioner's conduct, including compliance with earlier travel permissions. These decisions do not establish an inflexible rule overriding clause 6(L), but they do illustrate the relevance of the individual circumstances and of measures that secure availability without continuing an unjustified prohibition on departure.

66. The reliance placed by the ED upon the order dated 04.02.2026 passed by the Supreme Court in ***EAS Sarma v. Union of India (supra)*** does not alter the aforesaid position. The Supreme Court was concerned with the progress and scope of the investigations relating to the affairs of the concerned group companies and directed the ED and the CBI to examine the relevant financial transactions and take the investigations to their logical conclusion. The said order neither examines the validity of the LOCs impugned in the present petitions nor records any finding concerning the conduct of either petitioner



or the necessity of preventing their departure from India. The undertaking recorded therein that the concerned respondent would not leave the country without prior permission was furnished on behalf of a separately situated party and cannot be extended to the present petitioners. The magnitude and seriousness of the investigation constitute relevant background; they do not, however, dispense with the requirement of a person-specific satisfaction under clause 6(L) that the departure of the individual concerned would be detrimental to the economic interests of India or the larger public interest.

67. Turning first to the petition filed by Sanjay Dangi, the ED seeks continuation of the LOC on the ground that further investigation into his role is pending and that his presence is required for that purpose. The necessity for continuing the restraint must, therefore, be examined on the touchstone of the aforesaid principles, having regard to the grounds and material relied upon by the ED, the petitioner's present status in the proceedings and his conduct during the investigation. He has appeared pursuant to all the summons issued to him, and no instance of his having failed to appear or evaded the process of investigation has been pointed out. He has neither been arrayed as an accused nor cited as a witness in the prosecution complaint presently filed. These circumstances are material to the ED's contention that the LOC is necessary to secure his availability. The petitioner's conduct shows that his attendance has been secured through summons. The requirement of examining him further does not explain why the same process would no longer secure his participation. The description of the petitioner as a flight risk must be supported by circumstances bearing upon that apprehension. His cooperation cannot be disregarded merely because the investigation into the transactions remains incomplete. It is in this context that the ED's analogy



between an LOC and an NBW must be considered. As discussed above, coercive process is intended to secure attendance where the circumstances warrant its use. In the present case, no failure to respond to the process issued by the ED has been identified. The analogy, therefore, does not answer the question of why a continuing prohibition upon departure is necessary against a person who has appeared when called upon.

68. The additional affidavit filed by ED also refers to a complaint made by Bank of Baroda to the CBI concerning the resolution process. The ED has stated that it has sought information regarding the status of that complaint and whether a formal case has been registered. This circumstance may require further examination by the investigating agencies and is relevant for them but for the purposes of the present petition, the relevant question is how the receipt of that complaint justifies continuation of the existing restraint upon Sanjay Dangi's travel. The need to ascertain the status of the complaint does not establish that the petitioner, who has participated in the investigation, must remain in India until that exercise is completed.

69. The ED's reliance upon the pendency of further investigation and the additional complaint must also be considered in the context of clause 6(L). The seriousness of the matters under investigation is not being discounted but the justification required here is for restricting the departure of the particular person concerned. In the circumstances relied upon here, the ED has reiterated the need for further investigation without identifying how Sanjay Dangi's departure, despite his cooperation, would frustrate that investigation or attract the exceptional ground invoked. This conclusion concerns the connection between the grounds advanced and the restraint sought to be maintained but it does not involve an assessment of whether the material is sufficient to



proceed against him.

70. Applying the aforesaid standard, the conclusion reached herein rests upon a narrower ground. Even if the allegations contained in the additional affidavit of the ED are taken at their highest, they relate to the resolution process, the transactions undertaken thereafter and the necessity of carrying the further investigation to its logical conclusion. Beyond describing Sanjay Dangi as a flight risk, the ED has not identified any circumstance bearing upon the distinct question whether his departure from India would frustrate the investigation or be detrimental to the economic interests of India or the larger public interest. No instance of non-cooperation, evasion of summons or conduct indicating an intention to place himself beyond the reach of the investigating agency has been shown. This is, therefore, not a case in which the Court is preferring its own assessment of the same material over that of the competent authority but rather, the material relied upon does not disclose a nexus between the petitioner's departure and the exceptional ground invoked under clause 6(L). Continuation of the impugned LOC for an indeterminate period, despite his compliance with the process issued to him, would consequently be shockingly disproportionate. This finding neither expresses any opinion upon the allegations under investigation nor precludes the ED from proceeding in accordance with law if fresh material or changed circumstances subsequently warrant such action.

71. Turning now to Amit Dangi, he has not been arrayed as an accused in the predicate FIRs, the charge-sheet or the prosecution complaint and has been cited as prosecution witness No. 130. His participation in the investigation has been acknowledged by the ED itself. In its reply dated 19.08.2026 filed before the Bombay High Court, the ED recorded that he had appeared on eight



occasions pursuant to three summons and that his statements had been recorded. No instance of his having failed to comply with summons or evaded the investigation has been pointed out. His conduct thus shows that he has made himself available to the investigating agency when required. It is against this factual background that the ED's stand in its counter-affidavit dated 25.08.2026, filed in Amit Dangi's petition, assumes significance. Therein, the ED has expressly stated that it is not per se opposing his petition and that the same may be allowed subject to the conditions set out therein. The relevant paragraphs are reproduced hereunder:

"22. Therefore, it is submitted that without prejudice to the submissions of Respondent No. 3 and if this Hon'ble Court is inclined to permit the Petitioner to travel abroad, it is respectfully submitted that such permission may be made subject to the following conditions:

1.Undertaking to cooperate: *The Petitioner shall furnish an undertaking on affidavit before the Directorate of Enforcement affirming that he shall continue to fully cooperate with the investigation and shall appear before the Investigating Agency as and when required.*

2.Production of documents/ material: *The Petitioner shall produce before the Investigating Agency all documents, records and other material sought from him, to the extent the same are within his possession, custody or control.*

3.Prior disclosure of itinerary: *The Petitioner shall furnish his complete travel itinerary, including details of destination, dates of travel, flight details and address/contact details during his stay abroad, at least seven days prior to each proposed foreign journey.*

4.Availability during travel: *The Petitioner shall remain accessible to the Investigating Agency through the contact details furnished by him and shall promptly respond to any communication or requirement of the*



Investigating Agency.

5.Restriction on change of itinerary: *The Petitioner shall not materially alter his disclosed itinerary without prior intimation to the Investigating Agency and shall return to India within the period for which permission is granted.*

6.Liberty to the Investigating Agency: *In case any specific requirement arises during further investigation or the Petitioner's presence is considered necessary, Respondent No. 3 may approach this Hon'ble Court for appropriate directions, and the Petitioner shall abide by such directions.*

7.Fresh LOC, if warranted: *In the event of any subsequent non-cooperation, failure to appear, breach of the undertaking or any circumstance warranting such action in accordance with law, liberty may be reserved to the Investigating Agency to take appropriate steps, including seeking issuance of a fresh LOC, subject to law and appropriate orders of the competent Court.*

23.That in light of the aforementioned submissions, it is humbly submitted that the Respondent No. 3 is not per-se opposing the Petition of the Petitioner and therefore the present Petition may be allowed. However, subject to the aforementioned conditions, thereby ensuring an appropriate balance between the Petitioner's legitimate right to travel abroad and the Respondent's legitimate requirement to secure his availability and ensure that the ongoing investigation is not prejudiced or frustrated."

72. The aforesaid stand shows that the ED seeks to secure Amit Dangi's continued cooperation and availability through an undertaking, production of material, prior intimation of travel and accessibility during his stay abroad. These requirements must be considered alongside its acknowledgment that he has appeared when called upon. The ED has thus contemplated an arrangement under which he may travel while remaining available for the



investigation. The conditions imposed hereafter address that requirement without continuing the impugned LOC.

73. Amit Dangi's presence may be required for further investigation or for giving evidence before the learned Special Court. His status as a prosecution witness does not, however, require him to remain in India throughout the pendency of those proceedings.

74. The conclusions concerning the two petitioners therefore will now arise from their respective circumstances. In Sanjay Dangi's case, the grounds advanced for continuing the restraint do not establish the necessity of preventing his departure despite his participation in the investigation. In Amit Dangi's case, his acknowledged cooperation is accompanied by ED's own stand that the petition may be allowed subject to conditions. In neither case can the pendency of further investigation, without the justification discussed above, sustain a continuing restriction upon the fundamental right to travel abroad.

75. Therefore, this Court is of the view, that the petitioners' availability can be secured through the directions issued hereafter and continuation of the LOC against them is, therefore, not warranted.

76. This Court, therefore, finds that both petitions deserve to be allowed, subject to the common directions set out below.

CONCLUSION

77. Accordingly, **W.P.(CRL.) 2587/2026** and **W.P.(CRL.) 2603/2026** are allowed subject to the conditions set out below.

78. The respective LOCs opened against the petitioners, Sanjay Dangi and Amit Dangi, at the instance of the ED in connection with **ECIR/STF/17/2025** are hereby quashed.



79. To secure their continued cooperation and availability, the following directions shall apply to both the petitioners:

- i. Each petitioner shall, within one month from the date of this judgment, furnish an undertaking by way of an affidavit to the ED that he shall cooperate with the investigation, appear pursuant to summons lawfully issued and produce such documents or material within his possession, custody or control as may lawfully be required. Each petitioner shall also furnish his residential address, mobile number and email address, communicate any change therein and remain accessible to the investigating agency.
- ii. Before undertaking foreign travel, each petitioner shall intimate the Investigating Officer (IO), by email, in advance, furnishing his complete itinerary, including the destination, dates of departure and return, flight details, addresses of stay and contact particulars abroad. Where travel is necessitated by an unforeseen emergency, such intimation shall be furnished as early as practicable and ordinarily at least forty-eight (48) hours before departure, together with the reason for the shorter notice. It is clarified that this requirement is one of prior intimation and does not require either petitioner to obtain permission from the ED to undertake such travel.
- iii. Each petitioner shall promptly intimate any material change in his itinerary, including the proposed date of return, wherever practicable before such change takes effect. He shall return in accordance with the itinerary furnished or duly updated and communicate his return to the IO. During his travel, he shall remain accessible through the contact particulars furnished and promptly respond to lawful communications



from the investigating agency.

80. Foreign travel shall not be used to avoid compliance with summons or any lawful direction requiring his presence. Any independent subsisting order of a competent court regulating his travel shall continue to govern according to its terms.

81. The relief granted herein is founded upon the circumstances presently placed before this Court. If fresh material, a material change in circumstances or subsequent non-cooperation warrants further action, the ED shall be at liberty to take appropriate steps or appropriate directions from the competent court, in accordance with law and the applicable guidelines. Any such action must be supported by the circumstances warranting it and the liberty reserved herein shall not, by itself, constitute a ground for imposing a fresh restraint.

82. Nothing stated in this judgment shall impede further investigation in connection with **ECIR/STF/17/2025**, consideration of any complaint by the competent investigating agency or proceedings before the competent court. No opinion is expressed on the legality of the transactions under investigation, the evidentiary value of the material gathered or the culpability of either petitioner or any other person.

83. The ED shall forthwith communicate this judgment to the Bureau of Immigration through the competent officer. The Bureau of Immigration shall give effect to the quashing of the respective LOCs and update its records accordingly. This direction is confined to the LOCs impugned in these petitions in connection with **ECIR/STF/17/2025**.

84. The petitions therefore stand disposed of in the aforesaid terms.

85. Pending application(s), if any, also stand(s) disposed of.

86. Interim order(s) if any, also stand(s) vacated.



87. A copy of this order be sent to the concerned learned Trial Court for necessary information and compliance.

88. The order be uploaded on the website *forthwith*.

MADHU JAIN, J

OCTOBER 16, 2026/PG