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* **IN THE HIGH COURT OF DELHI AT NEW DELHI****Judgment reserved on:09.04.2026**% **Judgment delivered on:04.06.2026**+ **LPA 242/2026& CM APPLs. 22851-52/2026 & 22854/2026****BANK OF BARODA**

.....Appellant

Through: Mr. Sougat Sinha, Adv. with Ms. R. Gayathri Manasa, Ms. Sonali Kumar, Mr. Vishal Majumdar and Ms.Maitrayee Shrivastva, Advs. along with Mr. Praveen Upadhyay, Officer of the Bank.

versus

SURENDER KUMAR BANSAL & ORS.

.....Respondents

Through: Mr. Sanjoy Ghose, Sr. Adv. with Ms.Lalit Mohini Bhat, Mr. Siddharth Agarwal and Mr. Mohit Garg, Advs. for R-1 & R-2.

CORAM:**HON'BLE THE CHIEF JUSTICE****HON'BLE MR. JUSTICE TEJAS KARIA****J U D G M E N T****DEVENDRA KUMAR UPADHYAYA, C.J.**

1. The appellant – Bank of Baroda has instituted the proceedings of this *intra-court* appeal challenging the order dated 21.01.2026 passed by learned



Single Judge in *W.P.(C) 11367/2021*, whereby Look Out Circular [‘LOC’] opened against the respondent nos. 1 and 2 has been set aside with certain directions. The learned Single Judge while setting aside the LOC has issued various directions. The operative portion of the impugned order is contained in paragraph 8, which is extracted herein below:

“8. Under these circumstances, the Court finds that the LOC opened against the petitioners deserves to be set aside with the following directions:-

(i) The petitioners shall file an affidavit before the Trial Court affirming that they shall fully co-operate with the trial;

(ii) The petitioners shall not travel abroad without the permission of the Trial Court;

(iii) Liberty is granted to the respondent nos.3 to 5 and 8 to re-open the LOC, in case they find that the petitioners are violating any of the terms, conditions or directions by the Investigating Agency.”

2. Before delving into the respective submissions made by learned counsel for the parties, we may note certain facts which are essential for appropriate adjudication of the controversy involved in the present appeal.

3. Certain financial assistance was extended by a consortium of lender banks of which the appellant is also a member, to the borrower, namely M/s. SSK Trading Private Limited, which was incorporated in the year 2001 as a proprietorship firm and was later converted into a private limited company in the year 2007. The said company took over a proprietorship concern owned by respondent no.1, who is one of the Directors of the company. The respondent nos. 1 and 2 are Directors and personal guarantors of the borrower company – M/s. SSK Trading Private Limited. As the loan extended by the consortium of banks was declared Non-Performing Asset [‘NPA’], certain proceedings were instituted under the Securitisation and



Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [‘SARFAESI Act’] and the lead consortium bank filed an Original Application [‘O.A.’] before the Debt Recovery Tribunal [‘DRT’], Delhi to recover the amount against the borrower company.

4. On a complaint by the lead consortium bank, the Central Bureau of Investigation [‘CBI’] registered an FIR bearing no. RCBD-1/2018/E/2006 on 12.04.2018 against the respondent nos. 1 and 2. Upon investigation of the said FIR, a charge-sheet has been filed, wherein the respondent nos.1 and 2 are arrayed as accused persons and the trial is pending before the learned Trial Court.

5. An LOC was issued by the Bureau of Immigration, Ministry of Home Affairs, Government of India on 03.01.2020 against the respondent no.1 and 2, which was renewed on 31.12.2020. The respondent nos.1 and 2 filed *W.P.(C) 11367/2021* challenging the LOC, which has been allowed by the impugned order dated 21.01.2026 passed by the learned Single Judge.

6. During pendency of the aforesaid writ petition, the O.A. filed by the lead member of the consortium has been allowed directing thereby that borrower company and the Directors shall pay to the appellant – bank an amount of Rs.31,84,76,127/- (Rupees Thirty One Crore Eighty Four Lakh Seventy Six Thousand One Hundred and Twenty Seven only) along with cost, *pendente lite* an interest @ 14.5% per annum. It is in these background facts that the instant letters patent appeal has been filed.

7. It has been argued on behalf of the appellant – bank that the impugned order is erroneous for the reason that the conditions imposed therein are to



be complied by the respondent nos. 1 and 2 before learned Trial Court where criminal trial is pending and the appellant – bank has no locus to participate in such proceedings of the criminal trial.

8. Reference has been made on behalf of the appellant to an order passed by Hon'ble Supreme Court, which was passed in an SLP filed against the judgment dated 23.04.2024 of Bombay High Court in *W.P. No. 719/2020, Viraj Chetan Shah & Ors. v. Union of India & Ors.*, wherein the Supreme Court has observed that, “*pending consideration of these Special Leave Petitions on the interim stay, the private respondents/writ petitioners before the High Court shall seek permission from the High Court in the event they wish to travel abroad*”.

9. We may note at this juncture itself that *vide* judgment dated 23.04.2024, Bombay High Court in *Viraj Chetan Shah (supra)* has quashed certain clauses of the different Office Memorandums which regulate issuance of LOC to the extent it permitted Chairman, Managing Directors and Chief Executive Officers of all public sector banks to make request for issuance of LOC. By the said judgment all such LOCs which were issued at the instance of public sector banks have also been quashed.

10. The appellant has argued that owing to the liability of payment under the orders of the DRT, the respondent nos. 1 and 2 cannot be permitted to leave the country and therefore, though learned Single Judge has directed the respondent nos. 1 and 2 making certain affirmation before the Trial Court and has also provided therein that they shall not travel abroad without permission of the Trial Court, such conditions do not secure the interest of the appellant – bank so far as the recovery of the amount due against the



respondent nos. 1 and 2 is concerned. In this view, the submission is that the impugned order passed by learned Single Judge is liable to be set aside.

11. Opposing the appeal, learned counsel for the respondent nos. 1 and 2 has argued that it is not a case where respondent nos.1 and 2 are said to have not cooperated with the investigation or have attempted to leave the country and as a matter of fact that investigation agency namely, the CBI and Enforcement Directorate ['E.D.'] have deleted their LOCs earlier issued against the respondent nos. 1 and 2.

12. It has further been argued that the respondent no.1 was enlarged on bail by the learned Special Court, Rouse Avenue Court Complex, New Delhi in *CT. No. 1/2023*, wherein the Court while granting bail put the respondent no. 1 to stringent conditions such as that he shall not leave the country without prior permission of the Court and that he shall surrender his passport and further that he shall cooperate and participate in the investigation and that he shall not temper with the evidence and not influence the witnesses.

13. It has been submitted by learned counsel representing the respondent nos. 1 and 2 that their passports are lying deposited with the E.D. and further that the impugned order passed by learned Single Judge itself imposes stringent conditions which shall ensure securing interest of the appellant – bank. It is also the case setup on behalf of the respondents that on earlier occasions whenever any travel was undertaken, requisite permission was obtained from the Court and there has not been any default on the part of the respondent nos.1 and 2. In this view, the submission is that since the impugned order itself imposes stringent conditions in case any travel abroad



is undertaken by the respondent nos. 1 and 2, the instant appeal is liable to be dismissed at its threshold.

14. On a careful consideration of the submissions by the learned counsel for the respective parties and perusal of the record available before us, we do not find any good ground in the appeal.

15. Learned Single Judge, in the impugned order, has taken note of certain facts and developments which took place after filing of the petition in the year 2021. The learned Single Judge has noticed the foreign travels undertaken by the respondents on four occasions to (i) U.K, (ii) Scotland and U.K., (iii) U.A.E., and (iv) U.K., under the orders passed by the Court granting liberty to travel abroad which were passed on 08.10.2021, 13.02.2022, 10.01.2024 and 19.05.2025. The learned Single Judge has also noticed that there has not been a single instance of the respondent nos. 1 and 2 misusing the liberty granted to them by the Court. The impugned order further notes that during pendency of the petition, investigation has been completed and a charge-sheet has also been filed where the trial is pending.

16. In the aforesaid facts, the learned Single Judge has also observed that today if the respondent nos. 1 and 2 have to travel abroad, they will have to obtain the requisite permission from the Court which is seized of the matter/proceedings against them. The Court has also recorded the undertaking given by respondent nos. 1 and 2 that they shall not travel abroad unless the Court concerned specifically grants them such a permission.



17. Placing reliance on a judgment of this Court dated 19.01.2026 in *Anant Raj Kanoria v. Union of India & Ors*, W.P.(C) No. 3313/2023, the learned Single Judge has observed that in the said case justifiability of continued of LOCs has been considered and it has been found that continued restraint imposed upon an individual by way of an LOC operates as an uncalled for restriction on personal liberty and right to travel. By making these observations, learned Single Judge has also expressed his opinion that purpose of opening of LOC has fully been served and further that respondent nos. 1 and 2 have sufficient moveable and immovable properties in India and also that some of the properties have also been attached by the investigating agency. The learned Single Judge thereafter has quashed the LOC with certain directions, which require the respondent nos. 1 and 2 to file affidavit before the Trial Court affirming that they shall fully cooperate in the trial and respondent nos. 1 and 2 shall not travel abroad without the permission of the Trial Court. Liberty has also been granted by learned Single Judge in the impugned order to the CBI, Punjab National Bank [**PNB**] and the appellant – bank as well, to reopen the LOC in case they find that respondent nos. 1 and 2 are violating any of the terms, conditions or directions as directed by the Trial Court or the investigating agency.

18. So far as the concern of the appellant – bank that the impugned order passed by learned Single Judge does not safeguard the interest of the appellant – bank is concerned, we may note that under the directions passed by learned Special Judge, Rouse Avenue Court Complex, New Delhi in *CT. No. 1/2023* the passports of respondent nos. 1 and 2 are lying with the E.D.



19. Having regard to the overall facts and circumstances of the case, we are of the opinion that adequate safeguards are available, which has been strengthened by the directions issued by learned Single Judge while passing the impugned order, in case respondent nos. 1 and 2 intend to travel abroad.

20. It is needless to observe that power to issue an LOC is an exceptional coercive measure, which has a direct bearing on an individual's fundamental right to travel and, therefore, such power has to be exercised with great care and caution and only in exceptional circumstances. In fact, as held by this Court in *Rajesh Kumar Mehta v. Union of India, 2024 SCC OnLine Del 4153*, LOC is a major impediment for a person who wants to travel abroad and that no person can be deprived of his right to go abroad other than in very compelling reasons. *Rajesh Kumar Mehta (supra)* refers to *Maneka Gandhi v. Union of India, 1978 (1) SCC 248*, wherein it has been held that no person can be deprived of his right to go abroad unless there is a law prescribing the procedure for so depriving him and deprivation is effected strictly in accordance with such procedure.

21. Having regard to the facts of the case and antecedents of respondent nos. 1 and 2 that there has not been even a single instance of misuse of the liberty granted to them to travel abroad by the Court, we are of the opinion that there is no good ground which can be said to be made out in this appeal so as to call for any interference by us in the impugned order passed by the learned Single Judge.

22. Resultantly, the appeal fails which is hereby dismissed accordingly along with pending applications.



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23. However, there shall be no order as to costs.

**(DEVENDRA KUMAR UPADHYAYA)
CHIEF JUSTICE**

**(TEJAS KARIA)
JUDGE**

JUNE 04, 2026
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