



2026:DHC:6126-DB



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

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Date of Decision : 28.07.2026# **CNR No. DLHC010312032026**+ **LPA 534/2026, CM APPL. 45283/2026 & CM APPL. 45286/2026****BANK OF BARODA**

.....Appellant

Through: Mr. Sougat Sinha, Ms. R. Gayathri
Manasa, Mr. Navneet Kumar, Mr.
Vishal Majumdar and Ms. Maitrayee
Shrivastva, Advocates.

versus

VINEET GUPTA & ORS.

.....Respondents

Through: Mr. Amit Tiwari, CGSC with Ms.
Ayushi Srivastava, Mr. Arpan
Narwal, Mr. Kushagra Malik and Mr.
Ujjwal Tyagi, Advocates for R3/UoI.

CORAM:**HON'BLE THE CHIEF JUSTICE****HON'BLE MR. JUSTICE TEJAS KARIA****TEJAS KARIA, J. (ORAL)****CM APPL. 45284/2026(Exemption)**

1. Exemption allowed, subject to all just exceptions.
2. The Application stands disposed of.

CM APPL. 45285/2026(Delay)

3. This is an Application filed on behalf of the Appellant seeking condonation of delay of 84 days in filing the present Appeal.
4. Having heard learned Counsel for the Parties and perused the averments made in the Application seeking condonation of delay in filing



the present Appeal, the same is allowed. The delay of 84 days in filing the Appeal is hereby condoned.

5. Accordingly, the Application stands disposed of.

LPA 534/2026

6. The present *intra court* Appeal has been filed by the Appellant against the judgment dated 10.02.2026 (“**Impugned Judgment**”) passed by the learned Single Judge in Writ Petition being W.P.(C) 7850/2025 (“**Writ Petition**”),

7. The brief facts leading to the filing of the present Appeal before this Court are as under:

- a. The Appellant Bank claims that M/s Parabolic Drugs Limited - Borrower Company had availed various credit facilities from a consortium of lenders, which includes the Appellant Bank, and Respondent Nos. 1 and 2 acted as Promoters/Directors of the Borrower Company.
- b. The loan account of the Borrower Company was classified as a Non-Performing Asset on 30.03.2013 and was subsequently declared ‘fraud’ on 30.05.2016. On 23.08.2018, M/s Weather Makers Private Limited filed a petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 initiating Corporate Insolvency Resolution Process (“**CIRP**”) against the Borrower Company, before the National Company Law Tribunal (“**NCLT**”), Chandigarh, and the same was admitted to CIRP *vide* order dated 30.08.2018.
- c. On 29.12.2021, pursuant to a complaint filed on behalf of the Consortium of lenders, the CBI registered an FIR bearing No.



RCBD1/2021/E/0010 against the Borrower Company and Respondent Nos. 1 and 2. Further, in relation to the said FIR, the Enforcement Directorate has also registered an ECIR bearing No. CDZO-I/01/2022 dated 06.01.2022.

- d. Due to apprehension that the Respondent Nos. 1 and 2 may flee to foreign jurisdiction to avoid repayment of the outstanding dues of the Borrower Company, the Appellant Bank requested Respondent No. 3 to issue a Look Out Circular (“**LOC**”) against Respondent Nos. 1 and 2.
- e. Aggrieved by the LOC opened against Respondent Nos. 1 and 2, the Writ Petition was instituted by Respondent Nos. 1 and 2 seeking setting aside of the LOC, which was allowed by way of the Impugned Judgment. Aggrieved thereby, the present Appeal has been filed by the Appellant.
8. Learned Counsel for the Appellant submitted that the learned Single Judge in the Impugned Judgment has proceeded on the assumption that the right to travel is an absolute right, however, the said right can be regulated by way of the procedure established by law. It was further submitted by the learned Counsel for the Appellant that the Impugned Judgment was passed by the learned Single Judge without due consideration of the material placed on record.
9. Learned Counsel for the Appellant submitted that the learned Single Judge failed to consider that the judgment passed by the High Court of Judicature at Bombay in **Viraj Chetan Shah v. Union of India**, 2024 SCC OnLine Bom 1195, is under challenge before the Hon’ble Supreme Court in SLP (C) Nos. 17194-17230/2024 and has not attained finality.



10. Heard the learned Counsel for the Appellant and perused the material placed on record. *Vide* the Impugned Judgment, the learned Single Judge quashed the LOCs and disposed of the Writ Petition with the following directions:

“29. On the anvil of the aforesaid discussion, there does not seem to be any justification to continue the existence of the LOC(s) in the instant case. Accordingly, LOC(s) is quashed with the following directions:

- i. The petitioners to submit an undertaking before the Special Judge, PMLA Court, Chandigarh and the Special Judge, CBI Court, Chandigarh, affirming that they shall continue to cooperate with the investigation, if any, and they shall appear before the concerned trial Court as and when required, rendering full cooperation in the early disposal of trial.*
- ii. Henceforth, they shall undertake abroad journey with the prior permission is obtained from the competent Courts, where the trial is pending.”*

11. This Bench in ***Bank of Baroda v. Surender Kumar Bansal***, 2026 SCC OnLine Del 4574, held that the power to issue an LOC is an exceptional coercive measure that directly impinges upon an individual’s fundamental right to travel. Accordingly, it was further held that such power must be exercised with due care and caution, and only in exceptional circumstances. Therefore, in the absence of compelling reasons, no person may be deprived of the right to travel abroad.

12. Further, this Bench in ***Bank of Baroda*** (supra) noted that the High Court of Judicature at Bombay in ***Viraj Chetan Shah*** (supra) has quashed



certain clauses of different Office Memorandums, which regulate issuance of LOC, to the extent that they permitted Chairman, Managing Directors and Chief Executive Officers of all public sector banks to make request for issuance of LOC. Moreover, there is no stay of the operation of the judgement in **Viraj Chetan Shah** (supra) by the Supreme Court. Accordingly, LOCs issued at the instance of public sector banks are liable to be quashed.

13. In view of the decisions in **Bank of Baroda** (supra) and **Viraj Chetan Shah** (supra), we are of the view that the learned Single Judge correctly observed in the Impugned Judgment that an LOC issued at the instance of Chairman, Managing Director or Chief Executive Officer of the public sector banks would not stand the scrutiny of law and judicial review. Therefore, the LOC opened at the request of the Appellant against Respondent Nos. 1 and 2 are liable to be quashed.

14. Further, it is noted that in case Respondent Nos. 1 and 2 intend to travel abroad, it is made clear in the Impugned Judgment that Respondent Nos. 1 and 2 shall obtain prior permission from the competent Courts, where the trial is pending. Moreover, the Impugned Judgment also requires Respondent Nos. 1 and 2 to submit an undertaking before the Special Judge, PMLA Court, Chandigarh and the Special Judge, CBI Court, Chandigarh, affirming that they shall continue to cooperate with the investigation, if any, and they shall appear before the concerned trial Court as and when required, rendering full cooperation in the early disposal of trial. Therefore, there are adequate safeguards in place in the Impugned Judgment, safeguarding the interests of the Appellant in case Respondent Nos. 1 and 2 intend to travel abroad.



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15. In view thereof, we find no infirmity with the Impugned Judgment. Resultantly, the present Appeal is hereby dismissed. Pending Application(s), if any, stands disposed of. There shall be no order as to costs.

TEJAS KARIA, J

DEVENDRA KUMAR UPADHYAYA, CJ

JULY 28, 2026

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