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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ W.P.(C) 2355/2024 & CM APPL. 9752/2024, CM APPL. 9754/2024,
CM APPL. 19398/2024, CM APPL. 29118/2024, CM APPL.
6627/2025

ASHISH MITTAL

.....Petitioner

Through: Mr. Sanjeev Bhandari, Mr. Amit
Dhall, Advs.

versus

BANK OF BARODA & ORS.

.....Respondent

Through: Mr. Ripudaman Bhardwaj, SPP with
Mr. Kushagra, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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09.04.2026

1. This is a writ petition filed under Article 226 of the Constitution of India seeking the following prayers :-
“a) Issue a writ of certiorari or any other appropriate writ or direction quashing and setting aside the impugned Look Out Circular (which are still not provided to the Petitioner) issued against the Petitioner;...”
2. The brief facts of the case are that the respondent No. 1 bank is one of the lenders in the consortium which sanctioned loan to M/s Santosh Overseas Limited (Liquidation) of about Rs. 395 crores.
3. The petitioner, amongst the others, acted as a guarantor to the sanctioned loan amount. The exposure of respondent No. 1 bank is to the tune of Rs. 37.2 crores.
4. The respondent banks have already filed OA No. 461/2018 before the Debt Recovery Tribunal against the borrowers and the guarantors including the petitioner. The same is pending adjudication.



5. The respondent No. 1 and the respondent No. 5, in accordance with Master Direction on Fraud, have issued a LOCs (**“Look Out Circulars”**) against the petitioner, which is the subject matter of challenge.
6. Mr. Bhandari, learned counsel for the petitioner, has drawn my attention to a series of judgments passed by this Court, one of them being order dated 20.08.2024 passed in **W.P.(C) 6481/2019** titled **Saral Verma v. Union of India & Ors.**, wherein in paragraph No. 6, it has been held as under:

“6. As regards the Impugned LOC issued at the behest of Respondent Banks, in the opinion of the court the same cannot sustain. This court has in a similar connected matter W.P.(C) 9247/2019, quashed the LOC issued at the behest of Respondent Bank. Following a similar approach, it must be noted that, the Ministry of Home Affairs⁵, which is the nodal ministry responsible for issuing guidelines for international travel, has noted that an LOC can be issued in cases of cognizable offences under the Indian Penal Code and other penal laws and only in exceptional circumstances, can its scope be expanded. Apart from the FIR referred to above, which is directed to be suspended until the charge sheet is filed, there are two other criminal proceedings pending against the Petitioner. Pertinently, there is no LOC issued by the CBI with respect to these FIRs. Additionally, in FIR bearing no. RC4E/2020/CBI/SCB/LKO a charge sheet has been filed and the trial court has taken cognizance in the



*said case. The Petitioner has in fact furnished bond under section 88 of the Code of Criminal Procedure, 1978, which pertinently stands accepted without any conditions or restrictions on travel. As regards FIR bearing No. RC0062022A0004, no charge sheet has been filed in the said case. Furthermore, there is no material placed before the Court to demonstrate the Petitioner's criminal culpability that could suggest his intention to abscond. The fact that the Petitioner has travelled abroad and returned also minimizes the flight risk. Therefore, the merely because recoveries have to be effected cannot be a basis for opening an indefinite LOC against him. Such indefinite restrictions on the Petitioner's movement infringe upon his fundamental right to travel abroad, a right protected under Article 21 of the Constitution of India., as observed in the landmark judgments of *Maneka Gandhi v. Union of India*⁶ and *Satwant Singh Sawhney v. D. Ramarathnam, Assistant Passport Officer and Ors.* ”*

7. Further, the respondents have issued LOCs in furtherance of Office Memorandum No. 25016/10/2017-Imm dated 12.10.2018 issued by the Government of India, Ministry of Home Affairs.
8. Similarly, in the judgment of ***Shalini Khanna v. Union of India*** being ***W.P.(C) 10951/2022*** vide order dated 06.02.2024, this Court in paragraph No., 23 has held as under:

“23. The issuance of lookout circular cannot be resorted to in every case of bank loan defaults or credit facilities availed for



business and the Fundamental Right of a citizen of the country to travel abroad cannot be curtailed only because of failure to pay a bank loan more so when the person against whom the lookout circular is opened has not been even arrayed as an accused in any offence for misappropriation or siphoning off the loan amounts.”

9. Mr. Kushagra, learned counsel for CBI states that CBI has not issued any LOC against the petitioner.
10. Relying on the said judgments, I am of the view that LOC cannot be issued only for bank loan defaults or credit facility and hence, the same needs to be quashed.
11. The ACJM-02-cum-ACJ has already issued directions to the petitioner not to leave the country without prior permission from the Court.
12. Consequently, the 2 LOCs, one issued by respondent No.1 and other issued by respondent No. 5, are quashed and the petitioner before travelling, shall obtain prior permission in accordance with the orders dated 20.03.2026 and 04.06.2025 and any other order passed by the ACJM-02-cum-ACJ.
13. With these directions, the petition is disposed of.
14. The documents handed over in Court today are taken on record.

JASMEET SINGH, J

APRIL 9, 2026/sp