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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% ***Date of Decision: September 30th, 2026***# **CNR No. DLHC010231992026**+ **W.P.(C) 7186/2026 & CM APPL. 63172/2026****RAJAT GUPTA**

.....Petitioner

Through: Mr. Puneet Gaba & Mr. Aryan
Sachan, Advs.

versus

UNION OF INDIA & ORS.

.....Respondent

Through: Mr. Santosh Kumar Rout, SC
for Bank of Baroda.**CORAM:****HON'BLE MR. JUSTICE AMIT MAHAJAN****AMIT MAHAJAN, J. (Oral)**

1. The present petition has been filed seeking quashing of the Look Out Circular ('LOC') issued against the Petitioner at the instance of Respondent No.2/Bank of Baroda.
2. Briefly stated, Respondent No. 2/Bank had lodged a complaint with the Central Bureau of Investigation ('CBI') in relation to the loan accounts of certain borrower entities, which had been classified as Non-Performing Assets and subsequently declared as "Fraud". Pursuant thereto RC No. 220/2020/E0015 came to be registered against the Petitioner (*erstwhile Director of one of the borrower companies i.e. M/s Govardhan Industries Pvt. Ltd.*) and other accused persons.
3. It remains undisputed that pursuant to the complaint and



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registration of RC, the LOC was also issued at the instance of CBI. The CBI, pursuant to completion of the investigation, has since filed four charge sheets bearing CC Nos. 19/23, 18/23, 20/23 & 1/23, on which the cognizance has also been taken by the learned Trial Court.

4. It is pointed out that the learned Trial Court has also admitted the Petitioner on bail, by imposing certain conditions, one of them being that the Petitioner shall seek permission before travelling out of India.

5. The Petitioner was granted permission to travel abroad i.e. Kazakhstan from 20.04.2026 till 03.05.2026, *vide* Order dated 27.03.2026. However, on the date of travel, the Petitioner was stopped by the immigration Officers at IGI Airport as LOC had been issued against him by Respondent No. 2/ Bank of Baroda. Thereafter the Petitioner approached the learned Trial Court, which stayed the LOC from 21.04.2026 till 03.05.2026 and the Petitioner travelled abroad and the liberty was not misused.

6. It is pointed out that Petitioner is in business of ayurvedic medicines and has to travel to Kazakhstan to execute business plans, however, despite multiple requests to the Respondent No. 2/ Bank to withdraw/suspend the LOC, no action has been taken.

7. There can be no doubt that an LOC is a coercive measure and cannot be resorted to as a matter of routine merely because the Petitioner is undergoing Trial. Its issuance and continued operation must be justified by circumstances warranting such restraint upon the right to travel. In the present case, no material has been placed before this Court to demonstrate that the Petitioner is likely to abscond.



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8. Notably, the investigation pursuant to registration of RC, stands concluded and chargesheets have already been filed before the learned Trial Court. Cognizance has also been taken. The Petitioner is, therefore, no longer at a stage where his presence is required for the purpose of investigation.

9. It is also pertinent to note that the LOC issued at the instance of the CBI, who had registered a case on the complaint given by the respondent bank, has already been suspended as the investigation is complete which had led to filing of the charge sheet.

10. Pertinently, the learned Trial Court is seized of the present matter and the travel of the Petitioner is now monitored by the learned Trial Court. The Petitioner has also been admitted to bail by the learned Trial Court and his foreign travel is expressly subject to the supervision of the said Court. The record also suggests that the Petitioner has already been granted permission to travel on previous occasions, which has never been misused by him.

11. In the above context, the apprehension expressed by the Bank that the Petitioner may flee the country or financial claim of the Bank cannot be the sole reason to warrant continuation of an LOC in perpetuity, that too when the LOC issued at the instance of CBI has already been suspended.

12. Thus, in the opinion of this Court, no purpose would be served by keeping the LOC, issued at the instance of bank, alive. Accordingly, the LOC issued against the Petitioner at the instance of Respondent No. 2 is quashed.

13. It is clarified that the quashing of the LOC shall not in any



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manner affect the criminal proceedings pending before the learned Trial Court, the conditions of bail imposed upon the Petitioner, or the power of the learned Trial Court to regulate or restrict the Petitioner's travel outside India in accordance with law. The Petitioner shall continue to abide by all such conditions and directions as may be imposed by the learned Trial Court from time to time.

14. The present petition along with pending application(s), if any, is disposed of in the aforesaid terms.

15. The date of 14.01.2027 already fixed stands cancelled.

AMIT MAHAJAN, J

SEPTEMBER 30, 2026
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