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* IN THE HIGH COURT OF DELHI AT NEW DELHI

% Date of Decision: October 7th, 2026

CNR No. DLHC010047362022

+ W.P.(C) 1713/2022 & CM APPL. 29063/2025, CM APPL. 29064/2025, CM APPL. 44529/2025

SIRAJUDDIN QURESHI & ORS.Petitioners

Through: Mr. S.A. Saud, Mr. Mohd. Parvez Dabas, Mr. Uzmi Jameel Husain, Mr. Mohd. Shahib, Advs.

versus

UNION OF INDIA & ORS.Respondents

Through: Mr. Ripu Daman Bhardwaj, SPP-CBI with Mr. Amit Kumar Rana & Mr. Rajiv Kapoor, Advs.
Mr. Ritesh Kumar Bahri, APP with Ms. Divya Yadav & Mr. Lalit Luthra, Advs. for the State.
Mr. Santosh Kumar Rout, SC for R-6.

CORAM:**HON'BLE MR. JUSTICE AMIT MAHAJAN****AMIT MAHAJAN, J. (Oral)**

1. By way of the present petition the following reliefs were sought by the Petitioners: -

“(a) issue appropriate writ directing the Respondents 1-6 to produce and thereafter quash all such documents/ instructions/ letters/ circulars/ notifications/ office memoranda/ orders for declaration of fraud/ fraud monitoring return leading up to opening of Lookout Circular against the Petitioners basis which Petitioner No.



1 was detained on 14.04.2021 and travel restraining authority had been exercised against the Petitioner No. 1;

(b) issue appropriate writ directing the Respondents 1-6 to clarify as to how basis fraud declaration and without declaration of wilful default by Order of the Review Committee was the Petitioner No. 1 detained, questioned and restricted from travelling on 14.04.2021;

(c) issue appropriate writ quashing the impugned letter dated 30.10.2021 issued by the Respondent No. 3 for being manifestly unjust, arbitrary and issued by the Respondent No. 3 without considering the representations/objections made by the Petitioners and without providing the incriminatory material/documents (let alone the forensic audit report) basis which wilful default has been declared, inter alia, against Petitioners, thus, contradictory to underlying law and violative of Article 14, 19, 20, 21 and 375 of Constitution of India;

(d) issue appropriate writ to produce and quash the Lookout Circular (basis which Petitioner No. 1 was detained and questioned by Respondent No. 2 on 14.04.2021) issued against the Petitioners in pursuance of wilful default/fraud any other exercise of powers vested with any of the Respondents;

or in the alternative,

issue appropriate writ to Respondent 1-6 to clarify as to how wilful default declaration (where criminal action is prescribed (in terms of Master Directions on Frauds - Classification and Reporting by commercial banks and selects FIs bearing reference no. RBI/DBS/2016-17/28 dated 01.07.2016 and Master Circular on Wilful Defaulters bearing reference RBI/2015-16/100 dated 01.07.2015) under Sections 403 and 415 of the Indian Penal Code, 1860) triggers the ability of any public sector bank to request to LOC regarding detention, arrest or travel restraint as per Office Memorandum, when the said Office Memorandum dated 27.10.2010 as amended in 2018 specifically provides that LOC can only be issued for information of arrival and departure where there is no cognizable offence;

(e) issue appropriate writ directing the Respondent No. 3 to disclose and produce data showing as to how many cases of Rs. 50 crore and above in default (where wilful default declaration and investigation is pending) have led to opening of LOC with travel restraint;

(f) declare illegal all actions taken by Respondent 1-6 till date pursuant the documents/ instructions/ letters/



circulars/ notifications/ office memoranda or otherwise and, consequently and specifically, declare any action/instructions as to detention/ questioning/ enquiry on the basis of the above qua the Petitioners a nullity and having no effect;”

2. Succinctly stated, the Petitioner Nos. 1 – 3 are the shareholders and directors of the Petitioner No. 4 – Hind Agro Industries Limited ("**Borrower**"), which had availed credit/loan facilities from Respondent No. 3 – 6/Public Sector Banks i.e. Bank of Baroda (erstwhile Dena Bank), Punjab National Bank, Central Bank of India and Indian Bank. During 2015-16, the Accounts of the Borrower, with the Lender Banks, were declared as Non-Performing Asset. Eventually, during 2018-19 the Accounts of the Borrower, with the lender banks, were declared "*fraud*" by the Bank of Baroda, Punjab National Bank, Indian Bank and Central Bank of India and the proceedings of willful default were commenced.

3. Pursuant thereto, *FIR No. RC050202050011* dated 24.08.2020 under section 120-B r/w 420 of the Indian Penal Code, 1860; 13(2) r/w 13(1)(d) of Prevention of Corruption Act, 1988, was registered at P.S. SC-II Delhi, on the basis of complaint dated 20.08.2020, received from Shri K M Sahay, Chief Manager, Punjab National Bank (Lead Bank) filed on behalf of consortium of banks consisting of Punjab National Bank, Dena Bank/Bank of Baroda, Central Bank of India and Indian Bank. ECIR No. DLZO-I/25/2020 was also recorded on 14.12.2020 based on the above FIR.

4. As recorded in orders dated 18.09.2024 and 24.09.2025, Lookout Circulars were issued against the Petitioners at the behest of Respondent No. 3/Bank of Baroda, Directorate of Enforcement



(“ED”), Respondent No. 6/Indian Bank and Respondent No. 8/CBI.

5. This Court, *vide* Order dated 07.02.2024, had permitted the Petitioners to withdraw the petition with liberty to approach the Trial Court, by noting as under: -

*“1. Learned Counsel for the Petitioner states that during the pendency of the writ petition, **chargesheet has been filed by the Enforcement Directorate** and that in terms of the Judgment dated 11.08.2010 passed by this Court in **Sumer Singh Salkan v. Assistant Director & Ors., 2010 SCC OnLine Del 2699**, liberty may be granted to the Petitioner to approach the Trial Court for the relief as prayed for in the instant writ petition.*

*2. **Permission and liberty, as prayed for, is granted.***

3. The petition disposed of along with pending application(s), if any.

4. It is made clear that this Court has not made any observation on the merits of the case.”

6. On 23.08.2024, the Petition was restored, to the limited extent of challenge to the LOCs issued at the behest of the Banks, by noting as under: -

“CM APPL. 48533/2024 (seeking recall of order dated 7th February, 2024)

1. The present writ petition was disposed of on 7th February, 2024 in the following terms:

.....

*2. In terms of the above directions, the Petitioner applied for cancellation of the impugned Look Out Circular (LOC) before the Trial Court, however, **it has been observed that the said Court does not have the jurisdiction to adjudicate on the legality of the LOC which originates from Bank of Baroda**. In such circumstances, the present application is filed seeking recall of the order dated 7th February, 2024 and restoration of the present writ petition. **Counsel for Petitioner states that he would like to confine the challenge in the present petition only to the LOC issued at the behest of the banks.***

*3. **Considering the afore-going circumstances, the present application is allowed and disposed of. The writ petition is restored to its original number, which shall now be confined to the challenge to the LOC issued by the Bank***



of Baroda.

4. Mr. Anurag Ahluwalia, CGSC for Respondent Nos. 1 & 2, is directed to file an affidavit confirming the number of LOCs that have been issued against the Petitioner within a period of two weeks from today.

5. Copy of this order be communicated to all the relevant parties who are not present today.

6. With the aforesaid, the application is allowed and disposed of.”

7. Hence, it emerges that the Petitioners have now confined the challenge in the present petition only to the Lookout Circulars issued against them at the behest of the Banks.

8. As recorded above, after completion of investigation, charge sheet was filed by ED.

9. It has been pointed out by the learned Counsel appearing on behalf of CBI that pursuant to the completion of the investigation, charge sheet has also been filed by CBI, in August, 2026.

10. In this backdrop, once the CBI and ED, who are seized of the investigation, have completed the investigations and filed the charge-sheets, no purpose would be served by keeping the LOC issued against the Petitioners at the instance of the bank alive.

11. 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 Petitioners are undergoing Trial. Its issuance and continued operation must be justified by circumstances warranting such restraint upon the right to travel.

12. Pertinently, the learned Trial Court is seized of the present matter and the travel of the Petitioners is now monitored by the learned Trial Court and their foreign travel would also be subject to the supervision of the said Court.



13. It has been stated by the Petitioners in their Rejoinder that *vide* order dated 12.04.2023 passed by learned Special Court PMLA in CT No. 5 of 2023, arising out of ECIR No. DLZO-I/25/2020 dated 14.12.2020, bail has been granted to the Petitioners and no restriction has been put on the Petitioners pertaining to their travel abroad.

14. It has also been urged on behalf of the Petitioners that during the pendency of the present petitions, the Petitioners were permitted to travel abroad on multiple occasions and they never misused the liberty granted to them, and the LOCs were also suspended on multiple occasion subject to certain conditions.

15. In the above context, the apprehension expressed by the Bank that the Petitioners may flee the country or financial claim of the Bank cannot be the sole reason to warrant continuation of an LOC in perpetuity.

16. The LOCs, thus, issued against the Petitioners at the instance of the Banks stand quashed.

17. Insofar as the LOCs issued at the instance of CBI are concerned, undisputedly, the matters are pending before the learned Trial Court. Liberty is granted to the Petitioners to file appropriate application(s) before the learned Trial Court in regard to LOCs issued at the instance of CBI.

18. In that regard, as and when any application is filed, the learned Trial Court shall make an endeavour to decide the same expeditiously in accordance with law.

19. It is clarified that the quashing of the LOCs shall not, in any manner, affect the criminal proceedings pending before the learned



Trial Court or the power of the learned Trial Court to regulate or restrict the Petitioners travel, in accordance with law. The Petitioners shall continue to abide by all such conditions and directions as may be imposed by the learned Trial Court from time to time.

20. Needless to say, the Petitioners are at liberty to approach this Court in case any grievance remains in future.

AMIT MAHAJAN, J

OCTOBER 7, 2026

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