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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of Decision: 19.09.2025+ W.P.(C) 8946/2025 & CM APPL. 38268/2025

PUJA CHADHA

.....Petitioner

Through: Mr. Amit Sibal, Sr. Adv., Mr. Ankit Bhatia, Mr. Vinay Tripathi, Mr. Rajat Bector and Ms. Smriti Nair, Advs.

versus

DIRECTORATE OF ENFORCEMENT

.....Respondent

Through: Mr. Zoheb Hossain, Spl. Counsel, Mr. Vivek Gurnani, Panel Counsel, Mr. Kartik Sabharwal, Mr. Pranjal Tripathi and Mr. S.K. Raqeeb, Advs., ED.

CORAM:**HON'BLE MR. JUSTICE SACHIN DATTA****SACHIN DATTA, J. (ORAL)**

1. The present petition has been filed by the petitioner (a British citizen of Indian origin, Holding British Passport No. 542821570), seeking the indulgence of this Court for issuance of appropriate directions to the respondent to forthwith withdraw the Look Out Circular (hereinafter referred to as "LOC") issued against her.
2. The background of the matter is that on 10.02.2017, the respondent registered ECIR No. HQ/03/2017 under the provisions of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, against one Mr. Sanjay Bhandari, who is stated to be estranged maternal uncle of the petitioner.
3. It is submitted that despite the registration of the ECIR against her



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uncle, the petitioner freely travelled to India and returned to London on at least three occasions between 2017 and 2018, during the periods 31.03.2017–19.04.2017, 09.07.2017–16.07.2017, and 06.04.2018–24.04.2018, without any impediment or objection from the respondent or any other authority.

4. On 05.08.2020, the respondent filed a Prosecution Complaint before the Learned Special Judge (PC Act), CBI-22, Rouse Avenue Courts, New Delhi, against, inter alia, the uncle of the petitioner (Mr. Sanjay Bhandari) for the commission of offences under the PMLA. It submitted that the petitioner was not named as an accused in the said complaint. Even in subsequent proceedings, including the supplementary prosecution complaint dated 21.11.2023 filed against, inter alia, her husband [Sh. Sumit Chadha (stated to be estranged)], the petitioner has not been named as an accused.

5. On 19.07.2023, the petitioner received a communication from HM Revenue & Customs, United Kingdom, informing her that Indian Authorities required her assistance in an ongoing investigation. It is submitted that the petitioner responded through her solicitor.

6. On 23.03.2025, the petitioner voluntarily travelled to India on a valid Indian E-Visa with the intention of visiting her mother and her family home. However, upon her arrival at Indira Gandhi International Airport, New Delhi, she was stopped at the E-Visa Immigration Counter and was kept under detention from around 01:05 AM to 09:30 AM. Her passport, visa, travel documents, and mobile phone were confiscated. She was eventually informed that a Look Out Circular (LOC) had been issued against her at the instance of the respondent. It is submitted that no copy or particulars of the said LOC were furnished to her.



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7. The petitioner was then taken to the office of the respondent at Pravartan Bhawan, APJ Abdul Kalam Marg. Her passport was returned to her and was allowed to leave with the direction to return the next day.

8. Thereafter, petitioner was interrogated on many days, and was asked to provide passwords, emails, and personal information. Her mobile phone was cloned and retained.

9. It is submitted that the petitioner sought permission from the Investigating Officer to return to London for medical treatment and to resume her responsibilities as the primary caregiver of her son. However, despite repeated requests by way of emails and letters, it is submitted that her pleas were ignored, and she was compelled to remain in India.

10. It is submitted that the petitioner has thus been unlawfully restrained in India due to the LOC, even though she is not named as an accused in either the main prosecution complaint or the supplementary complaint.

11. Being aggrieved of the same the petitioner has filed the present petition.

Submissions of the Petitioner

12. It is the case of the petitioner that the said LOC has effectively resulted in the forcible detention of the petitioner in India.

13. The petitioner submits that the LOC in question was issued in September 2019. This was much before the issuance of any summons under the Mutual Legal Assistance Treaty, which were only purportedly issued on 03.12.2021 and 06.06.2023. It is submitted that the respondent, in its Counter Affidavit [Paragraphs 7(vi) & 7(ix)], has admitted these facts. It is pointed that the admitted case of the respondent is also that the petitioner is being detained in India only to elicit information in relation to certain



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persons named as accused in proceedings initiated by the respondent [Paragraph 7(xxviii) of the Counter Affidavit].

14. It is submitted that the issuance of the LOC against the petitioner is wholly unsustainable in law and violates the settled guidelines of the Union of India contained in successive Office Memorandums (OMs). The case of the petitioner is that the petitioner was not an accused at the time of issuance of the LOC in September 2019 and remains so till date. Reliance has been placed on **Prashant Bothra v. Bureau of Immigration**, 2023 SCC OnLine Cal 2643; **Dhruv Tewari v. Directorate of Enforcement**, 2022 SCC OnLine Del 1893; **Siddhartha Sudhir Moravekar v. SFIO**, 2024 SCC OnLine Bom 2323].

15. It is further the case of the petitioner that an LOC cannot be issued against a person who is merely a relative of an accused or is perceived to be connected to them. Reliance has been placed on **Anastasiia Pivtsaeva v. Union of India**, 2024 SCC OnLine Del 5170.

16. It is submitted that the petitioner is the mother of a minor son aged 15 years, who presently resides in the United Kingdom and needs to be looked after by the petitioner.

17. The petitioner also emphasised that due to continued detention in India she is facing the risk of being removed from employment.

18. It is further pointed out that the petitioner is a patient with a significant history of cardiac problems (cardiac arrest and subsequent coronary stenting), complex blood pressure issues, hysterectomy, chronic hypertension, and anaemia, which have all led to the petitioner undergoing psychological distress and post-traumatic stress disorder since 2022. It is submitted that the petitioner has been under the medical supervision and



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treatment of a team of doctors in London.

19. It is submitted that notwithstanding these grave personal hardships, the petitioner has demonstrated full cooperation with the respondent since her arrival in India on 23.03.2025. She has appeared before the respondent on no less than 14 occasions and has undergone interrogation cumulatively exceeding 100 hours. She has provided access to her emails, passwords, and even submitted her personal phone for forensic cloning, despite her fragile medical condition.

20. It is further the case of the petitioner that the respondent's investigation has been ongoing since 2017, spanning more than eight years. Despite two Prosecution Complaints having been filed, the petitioner has not been named as an accused or even a witness.

21. It is also submitted that the term 'detrimental to economic interest' cannot be loosely invoked. Reliance has been placed on ***Prateek Chitkara v. Union of India***, 2023 SCC OnLine Del 6104; ***Vishambhar Saran v. Bureau of Immigration***, 2021 SCC OnLine Cal 3074.

22. It is further submitted by learned counsel for the petitioner that the petitioner, being a citizen of a foreign country, has been in India on a visa which has expired/about to expire. It is submitted that, in the guise of the impugned LOC, the petitioner cannot be compelled to remain in India beyond the validity of her visa. It is further submitted that such compulsion would expose the petitioner to consequences under the Foreigners Act and other applicable laws, for no fault of her own.

Submissions of the Respondent

23. It is submitted that a seizure operation was conducted by the Income Tax Department at the premises of Sh. Sanjay Bhandari and his associates.



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The search unearthed substantial material indicating undisclosed foreign income and assets. Based on this material, an ECIR bearing No. HQ/03/2017 was recorded on 10.02.2017.

24. It is submitted that on analysis of the seized material and evidence forwarded by the Income Tax Department, including email correspondences between Sh. Sanjay Bhandari, the petitioner Ms. Puja Chadha, and her husband Sh. Sumit Chadha, the respondent identified close personal and business associations between them. It is submitted that the emails revealed that the petitioner was keeping accounts of expenses incurred by Sh. Sanjay Bhandari in the U.K. and also the amount received from him for such expenses. For the same, reliance has also been placed on statement of Sh. Sanjay Bhandari recorded under Section 132(4) of the Income Tax Act, 1961.

25. The respondent pointed out that in November 2016, Sh. Sanjay Bhandari fled to the U.K. to evade prosecution. An extradition request was made by India in February 2020. By order dated 07.11.2022, the Westminster Magistrates Court, U.K., held the offences extraditable. Subsequently, the Secretary of State, Home Department, U.K., ordered his extradition on 12.01.2023. However, his appeal before the U.K. High Court was allowed on 28.02.2025. Separately, by order dated 05.07.2025, the Ld. Special Court declared Sh. Sanjay Bhandari a Fugitive Economic Offender under Section 12(1) of the Fugitive Economic Offenders Act, 2018.

26. The respondent emphasized that a Letter of Request (LoR) sent to U.K. authorities in June 2019 specifically identified the petitioner as handling undisclosed receipts and expenses for Sh. Sanjay Bhandari. Despite repeated follow-ups, the complete reply from U.K. authorities remains



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pending.

27. Additionally, summons were issued to the petitioner and her husband on 03.12.2021 and 06.06.2023 for appearance on 18.04.2022 and 25.10.2023, respectively. It is submitted that both failed to comply. The Metropolitan Police, U.K., informed the respondent that the petitioner through her solicitor refused to accept the process of service.

28. It is submitted that subsequently, the ED filed a Prosecution Complaint before the Learned Special Judge on 01.06.2020 against Sh. Sanjay Bhandari and others. Subsequently, on 21.11.2023, a Supplementary Prosecution Complaint was filed wherein the petitioner's husband, Sh. Sumit Chadha, was arraigned as an accused based on fresh evidence. Due to his non-appearance, the Learned Special Judge issued Non-Bailable Warrants (NBWs) on 22.12.2023. It is submitted that though he secured a stay from this Court by assuring appearance in August 2024, he defaulted again. The respondent has moved an application (CRL M.A. 17452/2025) seeking vacation of the interim stay, which is currently part-heard.

29. It is submitted that upon the petitioner's detention at IGI Airport, her phone was seized. Analysis revealed financial transactions undertaken by her and by M/s Kingston Frangos Ltd., an entity managed and controlled by her, on behalf of Sh. Sanjay Bhandari. During interrogation on 13.05.2025 and 14.05.2025, the petitioner admitted that payments were made on behalf of Sh. Sanjay Bhandari through Kingston Frangos Ltd., and reimbursements were made either to her or into Kingston Frangos Ltd.'s accounts. However, she has failed to provide complete details of such transactions to date.

30. The respondent submitted that during her statement dated 14.05.2025, the petitioner admitted to having handed over her personal debit card to Sh.



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Sanjay Bhandari for his use, with funds being credited by her from cash received from him. It is submitted that despite undertaking to furnish corresponding details, she has not provided the same.

31. It is highlighted that several crucial details remain pending despite undertakings by the petitioner.

32. It is also highlighted that an email was sent to the petitioner on 20.08.2025 for her appearance on 21.08.2025. However, *vide* reply dated 22.08.2025 she had mentioned that she could not appear due to health reasons. It is also submitted that the cloned data of her impounded phone was also provided to her.

33. The respondent also relies on a witness statement having signature dated 28.11.2017 of the petitioner retrieved from the petitioner's device. The statement records that Sh. Sanjay Bhandari and his wife resided with the petitioner and her husband in the U.K., and that her husband had complete knowledge of the business activities of Sanjay Bhandari. This, according to the respondent, shows that the petitioner, her husband and Sh. Sanjay Bhandari are together managing proceeds of crime worth ₹535 crores identified so far.

34. The respondent disputed the urgency pleaded by the Petitioner on medical grounds. It is argued that her medical reports only recommend ECG, CT scan, etc., which can be conducted in India. Further, her doctors in London themselves advised her to seek local treatment in India in case of worsening symptoms and to procure medicines locally. Thus, the respondent contends that reliance on foreign medical advice to seek travel abroad is misplaced.

35. It stresses that the investigation is ongoing, and information



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retrieved from the petitioner's impounded device is still under examination. Her cooperation is indispensable for the completion of the probe.

36. It is submitted that the issuance of an LOC is an administrative measure, and the scope of judicial review is limited. Reliance is placed on **Atul Punj v. IDBI Bank** [W.P. (Crl.) 2332/2022], **C. Sivasankaran v. FRRO** 2019 SCC OnLine Mad 9045 (affirmed in 2020 SCC OnLine Mad 2656).

37. It is pointed out that Courts have consistently refused to quash or suspend LOCs on the ground of medical treatment when adequate treatment is available in India. Reliance is placed on **Mandhir Singh Todd v. ED** [CRL MC 289/2022], **Jai Prakash Singhal v. ED** [CRL MC 5012/2023], and **Kanwar Deep Singh v. ED** [CRL MC 1748/2022; CRL MC 6638/2022].

38. The respondent emphasised that economic offenders exploit court orders to abscond. Reliance is placed on **Nitin Sandesara v. ED** [W.P. (C) 7559/2017], where despite quashing of an LOC, the accused fled India, acquired foreign protection, and had to be proceeded against under the Fugitive Economic Offenders Act, 2018.

Analysis and Conclusion

39. Before examining the factual conspectus of the present case, it would be appropriate to trace the evolution of the guidelines governing the issuance of LOCs.

40. The first set of instructions in this regard emanated from a Ministry of Home Affairs letter dated 5 September 1979 (Letter No. 25022/13/78-FI). This communication authorized various agencies, including the Ministry of External Affairs, the Customs Department, the Income Tax Department, the



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Directorate of Revenue Intelligence (DRI), the Central Bureau of Investigation (CBI), Interpol, Regional Passport Officers, and State Police authorities, to monitor the arrival and departure of both Indian citizens and foreigners.

41. Thereafter, a more structured framework was introduced through the Office Memorandum dated 27 December 2000, which specifically dealt with Indian citizens.

42. Subsequently, judicial intervention in **Vikram Sharma v. Union of India**, 2010 SCC OnLine Delhi 2475 and **Sumer Singh Salkan v. Asst. Director**, 2010 SCC OnLine Delhi 2699 brought further clarity to the regime. These pronouncements prompted the Ministry of Home Affairs to issue a comprehensive Office Memorandum dated 27 October 2010, which laid down detailed guidelines for issuance of LOCs against both Indian citizens and foreigners. Paragraph 8(g) and (h) of the said OM are relevant and are set out below:—

“8. In accordance with the order dated 26.7.2010 of the High Court of Delhi, the matter has been discussed with the concerned agencies and the following guidelines are hereby laid down regarding issuance of LOCs in respect of Indian citizens and foreigners:

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g) Recourse to LOC is to be taken in cognizable offences under IPC or other penal laws. The details in column IV in the enclosed proforma regarding ‘reason for opening LOC’ must invariably be provided without which the subject of an LOC will not be arrested/detained.

h) In cases where there is no cognizable offence under IPC or other penal laws, the LOC subject cannot be detained/arrested or prevented from leaving the country. The originating agency can only request that they be informed about the arrival/departure of the subject in such cases.

43. The 2010 framework circumscribed the use of LOCs to cases involving cognizable offences under the Indian Penal Code or other penal



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statutes. In non-cognizable matters, the issuing agency could merely request intimation of the individual's travel movements, but not seek detention or arrest.

44. This regime was thereafter expanded through subsequent amendments. A major shift occurred with the amendment dated 5 December 2017, by the addition of the following clause:

“Office memorandum

Sub : Amendments in circular dated October 27, 2010 for issuance of look-out circular in respect of Indian citizens and foreigners—regarding.

In continuation to this Ministry Office Memorandum No. 25016/31/2010-Imm dated October 27, 2010 and as approved by the competent authority, the following amendment is hereby issued:

Amendment

Read as:

In exceptional cases, look-out circulars can be issued even in such cases, as would not be covered by the guidelines above, whereby departure of a person from India may be declined at the request of any of the authorities mentioned in clause (b) of the above-referred Office Memorandum, if it appears to such authority based on inputs received that the departure of such person is detrimental to the sovereignty or security or integrity of India or that the same is detrimental to the bilateral relations with any country or to the strategic and/or economic interest of India or if such person is allowed to leave, he may potentially indulge in an act of terrorism or offences against the State and/or that such departure ought not to be permitted in the larger public interest at any given point in time.

Instead of:

In exceptional cases, look-out circulars can be issued without complete parameters and/or case details against counterintelligence suspects, terrorists, anti-national elements, etc., in the larger national interest.

45. As per the Office Memorandum of December 5, 2017, “detrimental to the economic interests of India” was added as a ground for issuance of LOC.



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46. Further modifications were introduced by amendments dated 19 September 2018 and 12 October 2018. Eventually, to consolidate the entire regime, the Ministry of Home Affairs issued a comprehensive Office Memorandum on 22 February 2021, which currently governs the field. Relevant clauses of the 2021 Memorandum are reproduced as under -

“6. The existing guidelines with regard to issuance of Look Out Circulars (LOC) in respect of Indian citizens and foreigners have been reviewed by this Ministry. After due deliberations in consultation with various stakeholders and in suppression of all the existing guidelines issued vide this Ministry's letters/ O.M. referred to in para 1 above, it has been decided with the approval of the competent authority that the following consolidated guidelines shall be followed henceforth by all concerned for the purpose of issuance of Look Out Circulars (LOC) in respect of Indian citizens and foreigners:-

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(H) Recourse to LOC is to be taken in cognizable offences under IPC or other penal laws. The details in column IV in the enclosed proforma regarding ‘reason for opening LOC’ must invariably be provided without which the subject of an LOC will not be arrested/detained.

(I) In cases where there is no cognizable offence under IPC or other penal laws, the LOC subject cannot be detained/arrested or prevented from leaving the country. The originating agency can only request that they be informed about the arrival/departure of the subject in such cases

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(L) In exceptional cases, LOCs can be issued even in such cases, as may not be covered by the guidelines above, whereby departure of a person from India may be declined at the request of any of the authorities mentioned in clause (B) above, if it appears to such authority based on inputs received that the departure of such person is detrimental to the sovereignty or security or integrity of India or that the same is detrimental to the bilateral relations with any country or to the strategic and/or economic interests of India or if such person is allowed to leave, he may potentially indulge in an act of terrorism or offences against the State and/or that such departure ought not be permitted in the larger public interest at any given point in time.”

47. Clauses 8(g), 8(h), and 8(j) of the Office Memorandum dated



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27.10.2010 now find their corresponding place in Clauses 6(H), 6(I), and 6(L), respectively, of the consolidated Office Memorandum dated 22.02.2021.

48. The regime sought to be created by way of the aforesaid Office Memorandums, has been subject matter of scrutiny in several judicial pronouncements.

49. In **Prashant Bothra & Anr. v. Bureau of Immigration & Ors.**, 2023 SCC OnLine Cal 2643, it was held as under:

“39. In the present case, as rightly pointed by learned counsel for the petitioners, the stage of investigation within the contemplation of Section 212(1) - (4) of the 2013 Act is not yet over. Thus, as of today, whatever may the allegations against the petitioners or the Company of which they were Directors and guarantors, the same cannot tantamount to a cognizable offence against the petitioners.

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47. The said citation by the SFIO is not relevant in the present case. In the present case, no “trial” has started and/or any arrest has been made or sought to be made. There is no issuance of NBW at all in the present case or even warrant, for that matter. Clause 4(a) of the Office Memorandum, quoting the Delhi High Court, clearly envisages that there has to be a cognizable offence where the accused was deliberately evading arrest or not appearing in a Trial Court despite NBW and other coercive measures and there was likelihood of the accused leaving the country to evade trial/arrest. None of the said criteria are met in the present case. On the contrary, Clause 6 of the Office Memorandum dated February 22, 2021 provides that the existing guidelines with regard to issuance of LOC were being superseded and it was decided as provided thereafter. The said consolidated guidelines, thus, are spelt out in Clause 6.”

50. Similarly, in **Dhruv Tewari v. Directorate of Enforcement**, 2022 SCC OnLine Del 1893, the Court has observed as under -

“6. However, the issue which still remained was that when the petitioner was not an accused in either of the two ECIRs, one ECIR recorded in the year 2013 in which complaint was filed in the year 2018 and in the other ECIR recorded in the year 2016, wherein no complaint has been filed, whether it is justifiable to open and then continue a LOC



against the petitioner. Till date the petitioner has not been arrayed as an accused thereby justification of carrying on of the LOC, for the reason even in the modified LOC for monitoring the movement of the petitioner though the petitioner was not required to be detained, however on his arrival and departure intimation was to be given. In the meantime complaint was also filed in the ECIR of the year 2016 where again the petitioner was not arrayed as an accused but has been made a witness and whether the guidelines permitted the respondent to open and continue an LOC of intimation as well. Thus the matter was heard after impleading FRRO as respondent No. 2.

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11. From clause (h) of para 8 of the O.M. dated 27th October, 2010, it is evident that unless a citizen is suspected to be involved in the commission or facing investigation or trial on the accusation of offences which are cognizable under the Penal Code, 1860 or other Statutes, the citizen can neither be detained, arrested or prevented from leaving the country and the originating agency can only seek intimation of his arrival and/or departure. Further in LOC of intimation the authorities at the airport/or any other port of departure or arrival cannot restrain or detain the person on the pretext that intimation of his arrival or departure is required to be given to the originating agency which would indirectly serve as a detentive/preventive LOC. It is well settled that what cannot be done directly, cannot be done indirectly.

12. In the present case the petitioner was not an accused either in the predicate offence nor the 2 ECIRs as he was admittedly a minor at the time of commission of the transactions purportedly resulting in the alleged offences under IPC, PC Act or even under PMLA. Thus, a preventive/detentive LOC leading to the detention of the petitioner was clearly unwarranted. It is only when the petitioner filed the present writ petition that this preventive/detentive LOC was converted into an intimated LOC. Since the respondent no. 1 has already taken remedial action, no further directions are required to be passed in this petition. Needless to note that in the garb of LOC of intimation, the petitioner will not be detained or prevented at the airport or any other port on the pretext that first intimation has to be given to the originating agency.”

51. In **Sumer Singh Salkan vs. Asst. Director** (supra), the Court has observed as under –

The questions raised in the reference are as under:

“A. What are the categories of cases in which the investigating agency can seek recourse of Look-out-Circular and under what circumstances?”



B. What procedure is required to be followed by the investigating agency opening a Look-out-circular?

C. What is the remedy available to the person against whom such Look-out-Circular has been opened?

D. What is the role of the concerned Court when such a case is brought it and under what circumstances, the subordinate courts can intervene?

The questions are answered as under:

A. Recourse to LOC can be taken by investigating agency in cognizable offences under IPC or other penal laws, where the accused was deliberately evading arrest or not appearing in the trial court despite NBWs and other coercive measures and there was likelihood of the accused leaving the country to evade trial/arrest.

B. The Investigating Officer shall make a written request for LOC to the officer as notified by the circular of Ministry of Home Affairs, giving details & reasons for seeking LOC. The competent officer alone shall give directions for opening LOC by passing an order in this respect.

C. The person against whom LOC is issued must join investigation by appearing I.O. or should surrender the court concerned or should satisfy the court that LOC was wrongly issued against him. He may also approach the officer who ordered issuance of LOC & explain that LOC was wrongly issued against him. LOC can be withdrawn by the authority that issued and can also be rescinded by the trial court where case is pending or having jurisdiction over concerned police station on an application by the person concerned.

D. LOC is a coercive measure to make a person surrender to the investigating agency or Court of law. The subordinate courts' jurisdiction in affirming or cancelling LOC is commensurate with the jurisdiction of cancellation of NBWs or affirming NBWs.

52. In **Brij Bhushan Kathuria v. Union of India and Others**, 2021 SCC

OnLine Del 2587, this Court has observed as under –

14.An LOC has the effect of seriously jeopardising the right to travel of an individual. The settled legal position, as per the judgment in Sumer Singh Salkan (supra) is that unless and until there is an FIR which is lodged or a criminal case which is pending, an LOC cannot be issued.

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18. It is clear from a perusal of clauses (g), (h) and (j) that unless and until the conditions in these clauses are satisfied, prima-facie an LOC cannot be opened.



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19. There is no criminal case pending against the Petitioner. His role is also yet to be ascertained by the investigating authorities. Phrases such as ‘economic interest’ or ‘larger public interest’ cannot be expanded in a manner so as to include an Independent Director who was in the past associated with the company being investigated, without any specific role being attributed to him, as in the present case.....

53. In the present case, it is noticed that:

(i) The petitioner has not been named in any prosecution complaint, despite the investigation being carried on by the respondents since 2017.

(ii) Familial association with an accused, by itself, is not sufficient to justify the issuance of an LOC. In **Anastasiia Pivtsaeva & Anr. v. Union of India & Ors.**, 2024 SCC OnLine Del 5170, it has been held as under –

“26..... It is crucial to note that Petitioner No. 1 has not been implicated as an accused. The case under the Prevention of Money Laundering Act was specifically registered against the late Mr. Amit Bhardwaj, and no criminal proceedings have been initiated directly against Petitioner No. 1. The ED, as the originator of the LOC, contends that Petitioner No. 1 may have relevant information in connection to the offence under investigation. They state that, “being an associate and wife of the main accused, there is a strong suspicion that she might be aware of the proceeds of crime(s) generated in the instant case.” This contention, however, is based primarily on conjecture and surmise. Mere association or familial relationship with an accused, without concrete evidence of direct involvement or complicity in the alleged crimes, does not substantiate the grounds for denying security clearance under Section 7A(1)(d) of the Citizenship Act and neither does it withstand the test of arbitrariness and reasonableness under Article 14 of the Constitution.

27. It is important to note that, while an LOC has been issued against her, there is no criminal case registered directly against her, which distinguishes her situation from those typically associated with such circulars. LOCs are primarily utilized to monitor and restrict the movements of individuals who are either absconding or whom law enforcement agencies need to maintain



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close surveillance on, especially at immigration checkpoints across the country. The issuance of the LOC in this case appears to be a precautionary measure by the ED to ensure Petitioner No. 1's availability within India for investigative purposes. In fact, Petitioner No. 1 has maintained her presence in India and has shown no intent to evade the legal proceedings.”

(iii) Although Clause (L) of the 2021 Memorandum carves out an exception permitting issuance of an LOC, *inter alia*, on grounds relating to the “economic interests of India” and “larger public interest”, it has been held that such an exception cannot be invoked loosely or on the basis of conjecture. While the expressions employed are of wide amplitude, their application must be circumscribed by reasonableness and supported by cogent material. Apart from the judgment of this Court in **Brij Bhushan Kathuria** (supra), it has been held by this Court in **Prateek Chitkara v. Union of India**, 2023 SCC OnLine Del 6104, as under—

“82. The term “detrimental to economic interest” used in the Office Memorandum is not defined. Some cases may require the issuance of a look-out circular, if it is found that the conduct of the individuals concerned affects public interest as a whole or has an adverse impact on the economy. Squandering of public money, siphoning off amounts taken as loans from banks, defrauding depositors, indulging in hawala transactions may have a greater impact as a whole which may justify the issuance of look-out circulars. However, issuance of look-out circulars cannot be resorted to in each and every case of bank loan defaults or credit facilities availed of for business, etc. Citizens ought not to be harassed and deprived of their liberty to travel, merely due to their participation in a business, whether in a professional or a non-executive capacity. The circumstances have to reveal a higher gravity and a larger impact on the country.

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106. This court is of the opinion that this is not a case that would be detrimental to the economic interest of the country as there is no allegation that the petitioner has siphoned off any public funds.

107. In addition, the overwhelming fact that no criminal proceedings have been initiated against the petitioner, despite the demand having already been raised against him is an important consideration.”

(iv) It is noticed that since the registration of the ECIR on 10.02.2017, the petitioner has voluntarily travelled to India, including on 23.03.2025, despite ongoing proceedings against her relatives and the subsistence of the impugned LOC. It is emphasized by the petitioner that she has cooperated fully, joined investigation, and undergone interrogation. Her mobile phone has been seized, and she has provided all information within her knowledge. Importantly, the petitioner affirms and undertakes that she shall continue to cooperate with the investigation and appear before the investigating authorities as and when directed.

(v) It is also extremely relevant that the petitioner is a British citizen, and the visa issued in her favour has expired / is about to expire. She is stated to be suffering from serious health conditions. Furthermore, her minor son, aged 15 years, has been left deprived of his mother's care and attention.

54. Learned counsel for the respondent is unable to controvert that the continued presence of petitioner in India would be impermissible / untenable after expiry of her visa. Clearly, it would be wholly untenable to expose the petitioner to such a scenario, considering that her prolonged stay in India has been due to circumstances beyond her control. It is also noticed that the



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petitioner has volunteered to give an undertaking on affidavit, affirming that she shall:

- (i) continue to cooperate in the investigation and appear before the trial Court and/or the investigating agency, as and when required or directed, and render full cooperation in any ongoing proceeding/s and investigation/s; and
- (ii) provide all material/documents requested from her by the investigating agencies, and as may be available within her power or possession.

55. In the circumstances, subject to the petitioner filing the aforesaid undertaking on affidavit (with advance copy to the learned counsel for the respondents), the impugned LOC against the petitioner is quashed. The petitioner is permitted to travel back to the United Kingdom (her home country). The Bureau of Immigration / Immigration Authorities are directed to facilitate the petitioner's departure from India (even if her visa has expired).

56. It is also made clear that since the LOC has been quashed on the strength of the aforesaid undertaking, any breach thereof by the petitioner, shall be treated as egregious and wilful disregard of orders passed by this Court entailing action under the Contempt of Courts Act, 1971, besides other consequences under law.

57. The petition is disposed of in the above terms. Pending application also stands disposed of.

SACHIN DATTA, J

SEPTEMBER 19, 2025/sv