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

+ W.P.(C) 15701/2022 and CM APPL. 48860/2022, CM APPL. 52658/2022, CM APPL. 32485/2023, CM APPL. 66829/2025

MARIA RAMESH

.....Petitioner

Through: Mr. Ashish Dholakia, Senior Advocate with Mr. Ankur Khandelwal, Mr. Chirag Sharma, Mr. Subhoday Banerjee, Mr. Nikhil Saurabh adn Ms. Kajal Andhiwal, Advocates.

versus

UNION OF INDIA AND ANR.

.....Respondents

Through: Ms. Sunandha Shukla, SPC for UOI. Ms. Arti Bansal, CGSC with Ms. Shruti Goel, Advocate with SI Praveen.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDR KUMAR KAURAV

ORDER

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27.01.2026

1. The present petition has been filed seeking the quashing of the Look-Out Circular (LOC) issued against the petitioner.
2. The facts manifest that a FIR No. 218 of 2020 was registered on 16.12.2020 by the Economic Offences Wing, New Delhi, under Sections 406/420/120-B of the Indian Penal Code, 1860, against the petitioner and other co-accused. The FIR arose out of disputes pertaining to a Memorandum of Understanding (MoU) executed in 2013 between the complainant, i.e., Mr. Ashok Sachdev and his associates, and the petitioner's



husband in relation to investment in a real estate project titled “USHERA.” While an investment of ₹35 crores was allegedly contemplated, only ₹22.5 crores was made, which led to disputes between the parties. Apprehending arrest in FIR No. 218 of 2020, the petitioner applied for anticipatory bail and was granted the same *vide* order dated 06.08.2022 passed by the Additional Sessions Judge, Patiala House Courts. The ASJ, while granting anticipatory bail, recorded that no illegality or siphoning of funds was apparent and further noted that the project “Ushera” was substantially complete to the extent of 50–70%. It was also noted, based on submissions of the Investigating Officer, that no illegal fund transfer had been detected.

3. The petitioner submits that she has been cooperating with the investigation at all times. However, since the grant of anticipatory bail, the petitioner has not been called for investigation even once, a period now spanning over three years. The investigation is admittedly still pending, and no charge-sheet has been filed against the petitioner.

4. It is the case of the petitioner that the aforementioned FIR is one among a series of proceedings initiated by the complainant and his associates, most of which have either failed or been closed. These include FIR No. 253/2019 registered by the CCB, Chennai, proceedings under Section 7 of the Insolvency and Bankruptcy Code before the NCLT, which was dismissed on 18.01.2021 and affirmed by the NCLAT on 12.08.2024, and a complaint before the Serious Fraud Investigation Office (SFIO), which was closed on 11.03.2020 on the ground that the dispute was civil in nature.

5. The petitioner further submits that she became aware of the existence of the LOC only when she was informed by the Investigating Officer, which prevented her from travelling abroad, including to Australia in connection



with her granddaughter's medical condition. Despite repeated requests, the petitioner was neither furnished with the grounds nor the particulars on the basis of which the LOC was issued, and the same could not be obtained even under the Right to Information Act, 2005.

6. It is further submitted that the Status Report dated 21.11.2022 filed by the respondent itself records that the petitioner does not have any major role in the investigation. In these circumstances, the petitioner submits that the continuance of the LOC is wholly unjustified.

7. However, the Court, at this stage, is not concerned about the veracity of those allegations. The allegations in the FIR will have to be taken to their logical conclusion by the concerned police while undertaking the investigation. The Court is only concerned with the issue of the justification of LOC.

8. Before turning to the facts of the instant case, at the outset, it is pertinent to note the legal position as to when the Court shall exercise its discretion under Article 226 of the Constitution of India to quash the LOCs.

9. This Court in **Vikram Sharma v. Union of India**¹ and **Sumer Singh Salkan v. Asst. Director**² has elucidated the legal framework governing the issuance of LOC. In **Sumer Singh Salkan**, the Court held that recourse to issuance of LOC where the accused was deliberately evading arrest or not appearing in the trial court despite non-bailable warrants and other coercive measures, and there was a likelihood of the accused leaving the country to evade trial/arrest. The Court, while answering the reference, held as under

¹ 2010 SCC OnLine Del 2475

² 2010 SCC OnLine Del 2699



“11. Look-out-Circular has also been issued against the petitioner as the petitioner is an accused the Court of M.M. and he has not appeared the Court of M.M. If the petitioner gives an undertaking the court for his appearance on a particular date, through his counsel, the Look-out-Circular issued against the petitioner shall be withdrawn within 24 hours of giving undertaking by the petitioner.

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.



10. In ***Puja Chadha v. Directorate of Enforcement***.³ the Court, while relying on the decisions in the cases of ***Prashant Bothra v. Bureau of Immigration*** ⁴***Dhruv Tewari v. Directorate of Enforcement*** ⁵ ***Sumer Singh Salkan, Brij Bhushan Kathuria v. Union of India***⁶ and ***Anastasiia Pivtsaeva v. Union of India***⁷, held that the power to issue an LOC is an extraordinary and coercive measure which has a direct bearing on an individual's right to travel, and therefore must be exercised strictly in accordance with law.

11. Recently, this Court in the case of ***Sandeep Dhanuka v. Directorate of Revenue Intelligence***,⁸ has also dealt with various aspects of the issuance of LOC and has held as under: -

“40. The aforementioned Office Memorandums have been examined and interpreted in several other judicial pronouncements as well.

41. In Prashant Bothra v. Bureau of Immigration., 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

³ 2025:DHC:8787

⁴ 2023 SCC OnLine Cal 2643

⁵ 2022 SCC OnLine Del 1893

⁶ 2021 SCC OnLine Del 2587

⁷ 2024 SCC OnLine Del 5170

⁸ 2025 SCC OnLine Del 8280



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.”

42. In *Sumer Singh Salkan v. 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 Lookout-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.”



43. In *Brij Bhushan Kathuria v. Union of India*, 2021 SCC OnLine Del 2587, this Court has made the following observation -

“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.

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.....”

44. Similarly in *Ashutosh Sharma v. Union Of India.*, W.P. (C) 7769 of 2022, the Court has observed as under -

“6. It is also to be noted that there are no complaint/criminal proceedings pending against the Petitioner.

7. Since 30th November 2019, the Impugned LOC against the Petitioner has been in place. The rationale behind issuing the instant LOC is to effectively monitor the entry or exit of the Petitioner from the country.

8. However, there is no material placed before the Court which can ascertain the Petitioner's liability or criminal culpability at this juncture which could indicate that he is intending to abscond. Therefore, the mere apprehension of default cannot be a basis for opening an indefinite LOC against him, thereby restricting the movement of a citizen who has a right to travel abroad which is acknowledged to be a fundamental right under Article 21 of the Constitution of India, as observed in the landmark judgments of *Maneka Gandhi v. Union of India* and *Satwant Singh Sawhney v. D. Ramarathnam*, Assistant Passport Officer.

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12. The above makes it clear that only in exceptional cases can a LOC be issued without fulfilling the parameters. This is because a person's right to travel freely is an expression of their fundamental right to personal liberty enshrined under Article 21 of the Constitution. Therefore, such a right can only be restricted under strict parameters and in accordance with the procedure established by law.”

45. Reference is also apposite to *Hulas Rahul Gupta v. Bureau of*



Immigration (supra), wherein the Court has observed as under -

18. The abovementioned guidelines show that the ordinary recourse to open LOCs is to be taken in cognizable offence under IPC and other penal laws. However, in exceptional circumstances, LOCs can be opened in such cases which are not covered by the guidelines if it is felt that the person concerned if leaves the country would be against the economic interest of the country.

19. It is now a settled law that opening of an LOC has a very serious effect on a person's fundamental right to travel abroad which is on the face of Article 21 of the Constitution of India and the said right to travel cannot be curtailed without following due process. It is also settled law that recourse to LOC can be taken by the Investigating Agencies primarily when there is a cognizable offence under IPC or in any other penal laws or where the accused is deliberately evading the arrest and not appearing before Court despite summons being served on him or issuance of non-bailable warrants or when other coercive measures have been taken by the Court to ensure his appearance in the Court and that there is likelihood of the accused to leave the country to evade such trial or arrest.

20. The LOCs are also being issued at the instance of Investigating Agencies where apprehension is raised by the Investigating Agencies that the person who is alleged of committing an offence might escape the clutches of law by leaving the country. However, the law is also getting crystallized that merely because there are some revenue implications, the LOC cannot be opened against a person. A Single Bench of this Court in Priya Parameswaran Pillai v. Union of India, [2015 VII AD (Delhi) 10] has held that merely because there were some revenue implications due to notices issued by the Income Tax Authorities, the violations of tax laws are not demonstrative of the fact that the Petitioner therein had acted inimical to the economic interests of the country.

12. It is pertinent to note the decision of this Court in **Rajesh Kumar Mehta v. Union of India**.⁹ The relevant extract of the aforementioned decision reads as under: -

“18. In terms of the said OM, an LOC can be issued at the request of the Chairman/Managing Directors/Chief Executive of all Public Sector

⁹ 2024 SCC OnLine Del 4153



Banks. A request is given by a person, who is authorized under the said OM, to the Bureau of Immigration and then the Bureau of Immigration at the request of the said Officer opens the Lookout Circular.

19. The Office Memorandum indicates that the legal liability of the action taken by the immigration authorities in pursuance of the Lookout Circular rests with the Originating Agency, in this case, the Bank of Baroda.

20. Clause L of the Office Memorandum of 2021, as quoted above, states that in exceptional cases, an LOC can be issued at the instance of the Bank if the authorities are of the view that letting the person to depart from the country will be detrimental to the economic interests of India.

21. A perusal of the abovementioned Clause L of the Office Memorandum shows that in exceptional circumstances Lookout Circulars can be issued even in such cases which are not covered by the said guidelines which can be issued even when there is no criminal case against the person and person against whom investigation is pending and if it appears to the authorities based on the inputs that the departure of such person is detrimental to the sovereignty or security or integrity of India or bilateral relations or the strategic and/or economic interests of India. the term 'detrimental to the economic interests of India' has been well defined in several judgments.

25. Lookout Circular has been issued against the Petitioner only because of the inability of the company to repay its debts for which the Petitioner stood guarantee. There are no criminal proceedings against the Petitioner and there is no allegation that the Petitioner was instrumental in defalcation or siphoning off the money. The Bank has already initiated steps against the Petitioner and the company by taking steps under the RDDB Act, SARFAESI Act and under the IBC. This Court is of the opinion that after resorting to all the remedies available in law, the Bank cannot open a Lookout Circular as an arm-twisting tactic to recover debt from a person who is otherwise unable to pay more so when there are no allegations that he was engaged in any fraud or in any siphoning off or defalcation of the amounts given as loan.

26. Lookout Circular is a major impediment for a person who wants to travel abroad. There is plethora of judgments which states that no person can be deprived of his right to go abroad other than for very



compelling reasons. In *Maneka Gandhi v. Union of India*, (1978) 1 SCC 248, the Apex Court has held as under:—

“5. ...Thus, no person can be deprived of his right to go abroad unless there is a law made by the State prescribing the procedure for so depriving him and the deprivation is effected strictly in accordance with such procedure. It was for this reason, in order to comply with the requirement of Article 21, that Parliament enacted the Passports Act, 1967 for regulating the right to go abroad. It is clear from the provisions of the Passports Act, 1967 that it lays down the circumstances under which a passport may be issued or refused or cancelled or impounded and also prescribes a procedure for doing so, but the question is whether that is sufficient compliance with Article 21. Is the prescription of some sort of procedure enough or must the procedure comply with any particular requirements? Obviously, the procedure cannot be arbitrary, unfair or unreasonable. This indeed was conceded by the learned Attorney-General who with his usual candour frankly stated that it was not possible for him to contend that any procedure howsoever arbitrary, oppressive or unjust may be prescribed by the law....”

27. In view of the above, the Lookout Circular (LOC) issued against the Petitioner is hereby quashed.

13. In ***Shalini Khanna v. Union of India***,¹⁰ this Court held as under: -

“20. Though Paragraph (L) of the aforesaid Office Memorandum permits the Banks to issue a request for opening a lookout circular, in exceptional cases, even if they are not covered by the guidelines, even in such of those cases, the same can be issued only if departure of such person is detrimental to the sovereignty or security of the country, or departure of the person is threat to the bilateral relations to any country, or to the strategic or economic interest of the country, or if such person is allowed to leave, he may potentially indulge in acts of terrorism or offences against State or that such departure ought not be permitted in larger public interest at any given point of time.

21. It is well settled that merely because the Office Memorandum permits the issuance of a lookout circular in exceptional circumstances, even when an individual is not involved in any offence under the IPC or any other penal law, the said power should be used in exceptional circumstances and not as a matter of routine.

¹⁰ 2024 SCC OnLine Del 837



22. The term ‘detrimental to the economic interests’ must be of such a magnitude that it can significantly affect the economic interest of the country. In the present case, the total loan amount disbursed is about Rs. 7 crores and even if one adds the interest to it, it cannot be said that the amount is so large that it will affect the economic interests of the country.

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.”

14. Recently, this Court, in **Anant Raj Kanoria v. Union Of India & Ors**¹¹, upon an exhaustive consideration of the earlier precedents, held that the mechanical continuation of a LOC, in the absence of any necessity for the petitioner’s participation in the investigation, renders such restraint *prima facie* arbitrary, particularly where the petitioner has neither evaded the process of law nor exhibited any intent to obstruct the investigation. The Court further observed that repeated invocation of the writ jurisdiction for interim reliefs in such matters places an avoidable burden on judicial time, which could otherwise be devoted to cases involving substantive rights and pressing questions of law.

15. Turning to the facts of the present case, the LOC was issued in the year 2021, subsequent to the registration of FIR No. 218 of 2020. It is also a matter of record that the petitioner was not arrested in connection with the said FIR and was granted anticipatory bail, which continues to operate till date. Thereafter, the petitioner has remained diligent and available to the investigating agency and has joined the investigation as and when required.

¹¹ W.P.(C) 3313/2023, dated 09.01.2026



Furthermore, although the investigation *qua* the petitioner is stated to be ongoing, no allegation has been made by the investigating agency of non-cooperation, evasion of summons, or interference with the investigation.

16. It is also borne out from the record that the petitioner does not pose a flight risk. On several earlier occasions, this Court had granted permission to the petitioner to travel abroad subject to conditions. The petitioner is stated to have adhered to all conditions imposed by the Court and returned to India within the stipulated time. Despite this meticulous conduct, the LOC has continued to remain in force without any fresh or contemporaneous material being placed on record to justify its continuation.

17. In these circumstances, the continued operation of the LOC operates as a restraint on the petitioner's personal liberty and right to travel under Article 21 of the Constitution of India. The absence of any supervening circumstance warranting restraint on the petitioner's right to travel for the purposes of investigation renders the continuation of the LOC unnecessary. Mere pendency of investigation or registration of a criminal case cannot justify the prolonged operation of LOC.

18. Having considered the overall facts and circumstances of the case, the Court finds that the impugned LOC deserves to be quashed, subject to the following conditions:

- (i) The petitioner shall file an undertaking by way of an affidavit before the investigating agency, affirming that she shall continue to cooperate with the investigation and shall appear before the investigating agency as and when required.
- (ii) The petitioner shall produce all material documents as may be sought by the investigating agency, insofar as the same are available and within her



possession or control.

(iii) The petitioner shall intimate the investigating agency in writing at least seven days prior to undertaking any travel abroad, so long as the charge-sheet has not been filed. Upon filing of the charge-sheet, the petitioner shall seek prior permission from the concerned trial court before travelling abroad.

(iv) In the event the investigating agency or the concerned trial court harbours any reservation with respect to the petitioner's proposed travel, it shall be open to the investigating agency or the concerned court to take appropriate steps in accordance with law, including restraining such travel or initiating proceedings for issuance of a fresh LOC.

19. With the aforesaid observations, the petition stands disposed of.

PURUSHAINDR KUMAR KAURAV, J
JANUARY 27, 2026/SH