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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% *Judgment delivered on: 03.11.2025*+ **W.P.(CRL) 2730/2025 & CRL.M.A. 25708/2025**

INDERPREET SINGH WADHWAPetitioner

Through: Mr. Pramod Kumar Dubey and Mr. Ciccuk Mukhopadhaya, Senior Advocates, along with Mr. Saurav Agarwal, Ms. Ritika Jhurani, Ms. Apoorve Vashistha, Mr. Joy Banerjee, Mr. Satyam Sharma, Ms. Prachi Dubey, Mr. Abhishek Kandwal, Mr. Ujwal Sharma, Mr. Harsh Khabar, Mr. Ramachandruni B Siddhartha, Mr. Tushar Nair, Mr. Yash Saxena, Ms. Khushi Arora, Mr. Karl P. Rustomkhan, Ms. Parv Arora, Mr. Shivam Kumar, Ms. Suchitra Kumbhat and Ms. Abhilasha Pathak, Advocates.

versus

UNION OF INDIA & ORS.Respondents

Through: Mr. Meghav Gupta, Special Counsel for R-1 and R-3.
Mr. Amit Tiwari, CGSC with Ms. Ayushi Srivastava, Mr. Ayush Tanwar and Mr. Arpan Narwal, Advocates for R-2

CORAM:
HON'BLE DR. JUSTICE SWARANA KANTA SHARMA



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JUDGMENT

DR. SWARANA KANTA SHARMA, J

CRL.M.A. 25709/2025 (for suspension of LOC)

1. The petitioner, by way of the captioned writ petition, has approached this Court praying for quashing of the Look-Out-Circular [hereafter '*LOC*'] opened against the petitioner, by the respondent no. 1 i.e. Bureau of Immigration, in relation to the ongoing investigation into the affairs of Gensol Engineering Limited [hereafter '*Gensol Engineering*'] and its connected/related/associated entities, initiated by the respondent no. 1 (Union of India through Ministry of Corporate Affairs) in terms of Section 210(1)(c) of the Companies Act, 2013 [hereafter '*Companies Act*'].

2. By way of the present application (CRL.M.A. 25709/2025), the petitioner is seeking grant of an ad-interim direction suspending the aforesaid LOC, and permitting the petitioner to travel outside India, during the pendency of the present petition.

FACTUAL BACKGROUND

3. Succinctly, the facts of the case, as put forth by the respondents, are that the petitioner is a citizen of the United States of America (USA) and presently resides in Switzerland. He was designated as a Non-Executive Director of Blu-Smart Mobility Private Limited [hereafter '*Blu-Smart Mobility*'] in the year 2020, and was later re-designated as an Independent Director in July 2024,



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a position he held until his resignation on 17.05.2025. It is stated that the Gensol Group and BluSmart Group of companies are presently under investigation pursuant to orders dated 28.04.2025 and 15.05.2025 passed under Section 210(1)(c) of the Companies Act, on allegations of large-scale financial irregularities, diversion of funds, and fraud involving approximately ₹2,385 crores of public funds. It is stated that the Securities and Exchange Board of India (SEBI), *vide* its Interim Order dated 15.04.2025 and Confirmatory Order dated 30.07.2025, has elaborated the *modus operandi* adopted in the diversion of company and public funds for personal enrichment, noting the complete absence of internal financial controls within the group of companies, where corporate and public monies were allegedly treated as personal property. During the course of investigation, the petitioner was issued summons dated 08.05.2025 under Section 217 of the Companies Act, directing his appearance before the Investigating Officer on 19.05.2025. However, the petitioner did not appear in response to the said summons. Consequently, on the recommendation of the Investigating Officer's Status Report dated 13.05.2025, an LOC was issued against the petitioner and other individuals on 15.05.2025, in accordance with the prevailing procedure. It is stated that the petitioner arrived in India on 28.07.2025 and became aware of the issuance of the LOC on 04.08.2025, when he was prevented from leaving the country.

4. Conversely, the case set out by the petitioner, a citizen of the



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USA, residing in Switzerland, is that he is an experienced climate action professional, who was appointed as a Non-Executive Director of Blu-Smart Mobility on 10.11.2020, nearly two years after its incorporation. It is stated that the petitioner was neither a promoter nor a shareholder of Blu-Smart Mobility., and had no role in its day-to-day management or financial operations. The petitioner asserts that he has never been a Director or shareholder in Gensol Engineering Ltd. and had no involvement in the alleged diversion or misuse of public funds of Gensol Engineering. It is submitted that although Blu-Smart Mobility and Gensol Engineering have common promoters, the two companies are distinct legal entities and Blu-Smart Mobility is not a subsidiary of Gensol Engineering. The petitioner claims that he had, in fact, raised governance and compliance concerns before the Board of Blu-Smart Mobility and subsequently, along with other non-executive directors, lodged a formal complaint with the company's promoters, shareholders, and the external auditor, M/s Grant Thornton, on 26.04.2025. Having received no response, the petitioner had also lodged a complaint before the Registrar of Companies, Ahmedabad [hereafter 'ROC'] regarding the alleged irregularities. According to the petitioner, the investigation under Section 210(1)(c) of the Companies Act, was initiated only after his complaint. However, instead of acting on his grievances, the authorities issued summons dated 08.05.2025 under Section 217(4)(a) of the Companies Act, erroneously describing him



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as the Managing Director of Blu-Smart Mobility. The petitioner alleges that despite the summons being returnable on 19.05.2025, the ROC recommended issuance of an LOC against him on 13.05.2025 – prior to the scheduled date of appearance and before he could respond or appear. The petitioner submits that he responded to the summons on 15.05.2025, clarifying his limited role and seeking permission for virtual appearance due to medical reasons and his residence abroad, but he received no response. He subsequently resigned as a Non-Executive Director on 17.05.2025. It is further stated that the petitioner arrived in India on 28.07.2025 to visit his family, and on 04.08.2025, while attempting to return to Switzerland, was restrained at the IGI Airport upon being informed of the LOC issued against him. The petitioner claims to have thereafter addressed representations dated 09.08.2025 and 22.08.2025 to the ROC, expressing willingness to cooperate with the investigation and requesting suspension of the LOC on medical and professional grounds, but to no avail. Left with no alternative remedy, the petitioner filed the present writ petition on 25.08.2025 seeking quashing or suspension of the impugned LOC.

5. In the order dated 01.09.2025, this Court recorded that the petitioner would appear before the I.O. and join investigation on 02.09.2025. It is stated that the petitioner had joined the investigation and submitted the documents as required by the Investigating Officer, and thereafter, no further summon has been issued to him.



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SUBMISSIONS BEFORE THE COURT

On Behalf of the Petitioner

6. Praying for suspension of the LOC during the pendency of the captioned writ petition, the learned senior counsel appearing for the petitioner argues that the continued operation of the impugned LOC is wholly unjustified, arbitrary, and disproportionate in the facts of the present case. It is submitted that the petitioner, who was appointed as a Non-Executive Director of Blu-Smart Mobility in November 2020 purely on account of his professional expertise in the field of climate action, had no role in the day-to-day management, financial decision-making, or operational functioning of the company; he was neither a promoter nor a shareholder of Blu-Smart Mobility, and has never been associated in any manner with Gensol Engineering, which is the principal entity under investigation. It is further pointed out that the orders passed by the SEBI, relied upon by the respondents, which detail the alleged *modus operandi* of the promoters of Gensol Engineering and its group companies, do not attribute any role or complicity to the petitioner whatsoever. The petitioner has been wrongly characterized as a “promoter director” in the Status Report dated 13.05.2025, despite the records of the ROC clearly reflecting that he was only a Non-Executive Director. It is also stated that the petitioner himself had raised governance concerns and formally complained to the promoters, shareholders, and the



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ROC about alleged irregularities in Blu-Smart Mobility, which led to the initiation of the present investigation.

7. The learned senior counsel also argues that the impugned LOC has been issued in contravention of the Office Memoranda dated 27.10.2010 and 22.02.2021 issued by the Ministry of Home Affairs, which strictly limit the issuance of LOCs to cases involving cognizable offences or where there exists a substantiated apprehension of the person absconding from the legal process. In the present case, no cognizable offence has been alleged or established against the petitioner, and the allegations under the Companies Act are regulatory in nature. Reliance is placed on several judicial precedents to contend that issuance of LOC against a non-executive or independent director, in absence of any criminal case or cognizable offence, is impermissible in law.

8. It is further urged that the petitioner has at all times cooperated with the investigation; he had promptly responded to the summons dated 08.05.2025 by submitting a detailed reply on 15.05.2025, clarifying his limited role and seeking virtual appearance due to medical reasons and his residence abroad. Thereafter, he had addressed representations dated 09.08.2025 and 22.08.2025 to the ROC, offering full cooperation and seeking relaxation of the LOC. Further, pursuant to the directions of this Court dated 01.09.2025, the petitioner had appeared before the Investigating Officer on 02.09.2025 and submitted the requisite documents on 04.09.2025. It



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is submitted that no further summons or queries have since been issued to him, and therefore, continued restraint through LOC serves no purpose.

9. Dealing with the allegations in the Status Reports, the learned senior counsel submits that the petitioner's association with Clime Finance Private Limited [hereafter '*Clime Finance*'], an RBI-registered NBFC, has been misconstrued. It is stated that Clime Finance had extended loans to Blu-Smart Mobility and Gensol Engineering aggregating to approximately ₹12 crores, out of which substantial amounts remain unpaid. Thus, far from being a beneficiary, it is argued that Clime Finance and the petitioner are victims of the default by the Gensol group of companies. It is emphasized that Clime Finance is a legitimate financial entity engaged in sustainable investment, having advanced over ₹100 crores to multiple green-sector enterprises, and that the petitioner has invested his own funds of approximately ₹15 crores therein, without drawing any salary or dividends.

10. On personal and medical grounds, it is urged that the petitioner has undergone knee surgery and requires regular physiotherapy and medical rehabilitation in Switzerland. His elder daughter is recovering from wrist surgery, his younger daughter suffers from Absence Seizures requiring constant care, and his wife suffers from Adenomyosis which requires constant medical attention. It is also stated that his prolonged stay in India jeopardises his professional



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commitments, residency status, and tax position abroad.

11. It is finally submitted that the petitioner poses no flight risk, having voluntarily come to India to visit his family, and having consistently cooperated with the authorities and complied with all directions of this Court. In these circumstances, it is argued that the continued operation of the LOC amounts to an unreasonable restriction on his right to travel, and suspension of the LOC during the pendency of the petition is warranted to enable him to attend to pressing medical, familial, and professional obligations abroad.

On Behalf of the Respondent nos. 1 and 3

12. Opposing the prayer for suspension of the LOC, the learned counsel appearing for respondent nos. 1 and 3 submits that the issuance and continuation of the LOC against the petitioner is legally justified, procedurally sound, and necessary in the facts of the present case. It is contended that the LOC was issued strictly in accordance with the Ministry of Home Affairs Office Memorandum dated 22.02.2021, after following due process, based on the Investigating Officer's Status Report dated 13.05.2025. The said recommendation was made upon the discovery of a large-scale financial fraud amounting to approximately ₹2,385 crores of public funds, and there existed a credible apprehension that several individuals connected with the entities under investigation, including the petitioner, may abscond from India to foreign jurisdictions. The learned counsel



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argues that the petitioner's role and connection to the fraudulent transactions cannot, at this stage, be ruled out, as the petitioner had been associated with Blu-Smart Mobility as a Non-Executive Director since 2020 and later as an Independent Director from July 2024, and the said entity forms part of the same group of companies as Gensol Engineering, which is under investigation. Reference is made to the SEBI orders and the Investigating Officer's Status Reports, which reveal the existence of a complex web of circular trading and diversion of funds involving Blu-Smart Mobility Pvt. Ltd. during the period of the petitioner's directorship. It is urged that at this stage, there exists sufficient *prima facie* material to justify continuation of the LOC against the petitioner, pending completion of investigation.

13. It is further contended that the petitioner is admittedly a foreign national (US citizen), residing in Switzerland and, therefore, poses a genuine risk of flight, and thus, the apprehension that the petitioner, if permitted to travel abroad without restriction, may not return to India to participate in further investigation is neither speculative nor unfounded. Further, it is stated that LOC is not punitive in nature but a preventive measure, issued in the larger public and economic interest of the country, and that the Office Memoranda governing issuance of LOCs do not require prior notice or opportunity of hearing to the concerned individual, and hence, no violation of principles of natural justice arises. It is further argued



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that as a foreign national, the petitioner cannot claim the protection of Article 19(1)(g) of the Constitution of India, and while Article 21 extends to all persons, including foreigners, the rights thereunder are subject to reasonable restrictions in the interest of public order and national economy.

14. Rebutting the contentions advanced on behalf of the petitioner, the learned counsel submits that the plea that the petitioner was merely a Non-Executive Director uninvolved in the affairs of Blu-Smart Mobility is contradicted by the material on record, as the Investigating Officer's Status Report dated 16.09.2025 reflects that the petitioner, as promoter-director of Clime Finance Pvt. Ltd., had extended loans aggregating approximately ₹12 crores to Blu-Smart Mobility and Gensol Engineering, while simultaneously serving as an Independent Director in Blu-Smart Mobility. Another promoter-director of Clime Finance, late Mr. Kuljit Singh Popli, also held a similar position in Gensol Engineering Ltd. It is contended that the petitioner's argument that he is a victim rather than a beneficiary, is a matter of defence that can only be examined after the investigation is complete.

15. With respect to the petitioner's alleged cooperation, the learned counsel submits that the petitioner did not appear before the authorities despite issuance of summons dated 08.05.2025 and did so only after this Court's direction dated 01.09.2025. It is argued that merely attending a single hearing or furnishing documents after the



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intervention of the Court does not justify suspension of the LOC, and cooperation *per se* does not entitle a person to quashing or suspension of an LOC, particularly when the investigation is at a nascent stage. It is lastly argued that the offences being investigated under Section 447 of the Companies Act are cognizable in nature, and the present investigation concerns a complex, multi-layered financial fraud. Therefore, continued cooperation of the petitioner is important in the larger public interest. In these circumstances, the learned counsel submits that no case is made out for granting unconditional interim relief or for suspension of the LOC, which continues to be essential to ensure the petitioner's availability for investigation in a matter involving grave economic offences and substantial public interest.

ANALYSIS & FINDINGS

16. This Court has carefully considered the rival submissions advanced by learned senior counsel for the petitioner and learned counsel for the respondents, and has perused the material placed on record.

17. It is an admitted position that the petitioner was appointed as a Non-Executive Director of BluSmart Mobility on 10.11.2020. The respondents assert that his designation was later changed to that of an Independent Director in July 2024. It is also not in dispute that the petitioner, along with two other directors, submitted a complaint dated 26.04.2025 to the ROC, Ahmedabad, raising governance



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concerns and making allegations against BluSmart Mobility and its Promoter-Director, Mr. Anmol Singh Jaggi. Though an interim order had already been passed by SEBI on 15.04.2025 in respect of Gensol Engineering, the Ministry of Corporate Affairs issued an order dated 28.04.2025 under Section 210(1)(c) of the Companies Act, directing investigation into the affairs of Gensol Engineering and its connected entities, including BluSmart Mobility. The petitioner's contention that his complaint preceded the order of investigation, however, is not directly relevant for adjudication of the present application seeking suspension of the LOC.

18. It is the petitioner's case that he was merely a Non-Executive Director of BluSmart Mobility and had no role in its management or day-to-day functioning. The respondents, however, dispute this, and contend that the petitioner participated in key meetings and was also a Promoter-Director of Clime Finance Pvt. Ltd., which had advanced loans of about ₹10 crores to BluSmart Mobility and ₹2 crores to Gensol Engineering. As alleged, this dual position – of being a lender through Clime Finance and a director in the borrower company – raises suspicion regarding his role in the group's financial dealings. Conversely, the petitioner asserts that Clime Finance is a registered NBFC that has itself suffered losses due to defaults by BluSmart Mobility and Gensol Engineering, and is therefore a victim rather than a beneficiary. *Be that as it may*, the extent of the petitioner's involvement, if any, in the alleged irregularities or fraudulent



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transactions remains a matter of investigation and cannot be determined at this stage.

19. The petitioner has also argued that, in terms of the Office Memoranda of the Ministry of Home Affairs and various judicial precedents, an LOC can be opened only in cases involving cognizable offences, whereas the alleged violations under the Companies Act, 2013 are regulatory and non-cognizable in nature. The respondents, on the other hand, contend that offences under Section 447 of the Companies Act, 2013 are cognizable, and the investigation, which though as of now is at a very initial stage, concerns a large-scale, complex corporate fraud with serious economic implications. It is their case that the LOC was issued in accordance with the MHA Office Memorandum dated 22.02.2021, which permits such preventive measures in matters involving significant economic interests of India. Since these contentions go to the legality and validity of the LOC itself, they shall be considered at the stage of final hearing of the main writ petition.

20. ***At this stage***, the Court is concerned only with the limited issue of whether the LOC ought to remain operative during the pendency of the present petition.

21. Admittedly, the petitioner is a citizen of USA, holding Passport No. 54XXXXX68, and is a resident of Switzerland. The record shows that he was issued summons dated 08.05.2025 to appear before the Investigating Officer on 19.05.2025. However, even before



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the said date of appearance, on 15.05.2025, the respondents directed issuance of the LOC against the petitioner. On the same date also, the petitioner had replied to the summons, denying any involvement in the alleged irregularities and seeking permission to appear virtually on account of his residence abroad. There is nothing on record to show that any response to his request was furnished by the respondents.

22. The petitioner arrived in India on 28.07.2025 and was informed of the LOC only on 04.08.2025, when he was stopped from departing the country at the IGI Airport, Delhi. He thereafter made detailed representations dated 09.08.2025 and 22.08.2025 to the ROC, Ahmedabad, expressing willingness to cooperate and seeking relaxation of the LOC. Thereafter, he filed the present writ petition. Pursuant to the directions issued by this Court on 01.09.2025, he appeared before the Investigating Officer on 02.09.2025 and further submitted the required documents on 04.09.2025.

23. It is true that the petitioner did not appear before the Investigating Officer earlier, but it is equally true that the respondents did not issue any further summons or call him for examination after he had complied with the directions of this Court. Even after the subsequent order dated 17.09.2025, wherein this Court directed that the petitioner shall appear as and when required, no further notice was issued to him by the Investigating Officer.

24. It is also a matter of record that, although the investigation



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under Section 210 of the Companies Act, is being conducted by the Inspectors (ROCs) appointed by the Ministry of Corporate Affairs, no FIR has been registered so far, nor has the matter been referred to the Serious Fraud Investigation Office (SFIO). The role of the petitioner, if any, in the alleged offences is yet to be determined. The investigation, which has been ongoing for about six months, is admittedly still at a preliminary stage. Considering the respondents' own submission that the alleged fraud is complex, layered, and involves multiple related entities, there appears to be little likelihood of the investigation concluding in the near future.

25. At the same time, it is the petitioner's case that he is employed with one M/s Partners Group, based in Switzerland, and that his professional responsibilities require him to frequently travel between Switzerland, Singapore, and India. He resides in Switzerland with his wife and two minor daughters, all of whom are stated to be suffering from certain medical conditions. The relevant medical documents in this regard, as produced by the petitioner, have not been disputed by the respondents at this stage. The petitioner also has no prior criminal record.

26. In these circumstances, this Court is of the considered view that while the investigation into the affairs of the concerned companies must be allowed to proceed unhindered and without obstruction, the petitioner's liberty and professional as well as personal life cannot be placed in indefinite suspension, particularly



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when it is yet to be determined whether he will ultimately be treated as an accused in the matter. The petitioner is admittedly a foreign national – a citizen of USA – who had arrived in India on 28.07.2025 to visit his family, and ever since, he has not been permitted to leave the country owing to the subsistence of the impugned LOC.

27. This Court must, therefore, carefully balance the competing considerations, i.e. on one hand, the legitimate interest of the investigating authorities to ensure the petitioner's availability for cooperation in the ongoing inquiry, and on the other, the petitioner's right, as a foreign national, to lead his ordinary life and discharge his family and professional obligations. The apprehension of the respondents that the petitioner may flee the country and not return to join the investigation, though not unfounded, can be sufficiently safeguarded by imposing appropriate and stringent conditions. The object of law is not to detain a person indefinitely within the territory of India, especially one who is a foreign national, has voluntarily entered the country, and has already demonstrated cooperation with the authorities, but rather to ensure that the investigation proceeds effectively and the individual remains accessible to the process of law.

28. Accordingly, this Court finds it appropriate to suspend the operation of the impugned LOC during the pendency of the present petition, subject to the following conditions:

- (i) The petitioner shall furnish a security in the sum of ₹25



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crores (Rupees Twenty-Five Crores only), by way of a Fixed Deposit Receipt (FDR) or a Bank Guarantee, to the satisfaction of the learned Registrar General of this Court.

(ii) The petitioner will also furnish surety of any one of his family members residing in India, as he himself mentions in his written submissions that his brother and father are residing in India. The surety will be in the sum of ₹5 crores in the form of FDR or an immovable property of an equivalent amount, to the satisfaction of the learned Registrar General of this Court.

(iii) The petitioner shall continue to cooperate with the investigation in every respect. Whenever his physical presence or any clarification or documents are required by the Investigating Officer or any competent authority, he shall duly comply and appear in person or furnish the required material, subject to a prior notice of at least three weeks from the concerned authority.

(iv) The petitioner shall intimate the concerned Investigating Officer and respondent authorities, in advance, and in writing of his detailed travel itinerary, including the dates of arrival in and departure from India.

(v) The petitioner shall furnish his mobile number, e-mail address, and complete residential address in Switzerland to the respondents, and shall promptly notify any change in these



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particulars during the pendency of the proceedings.

29. The present order be communicated by the respondent no. 1 and 3, to the FRRO and Bureau of Immigration, for necessary information and compliance.

30. Accordingly, the present application i.e. CRL.M.A. 25709/2025 is disposed of.

31. It is, however, clarified that the observations made in this judgment are confined solely to the adjudication of the present application seeking suspension of the LOC during the pendency of the writ petition. Nothing stated hereinabove shall be construed as an expression of opinion by this Court on the merits of the case, the legality or validity of the impugned LOC, or on any of the contentions raised by either party in the main writ petition, which shall be considered independently and decided on its own merits at the appropriate stage.

32. The judgment be uploaded on the website forthwith.

DR. SWARANA KANTA SHARMA, J
NOVEMBER 03, 2025/A