

IN THE HIGH COURT AT CALCUTTA
(Constitutional Writ Jurisdiction)
APPELLATE SIDE

Present:

The Hon'ble Justice Krishna Rao

W.P.A. No. 2772 of 2026

Debanjan Hazra

Vs.

The Serious Fraud Investigation Office & Ors.

Mr. Sabyasachi Chaudhury, Sr. Adv.

Mr. Rajarshi Dutta

Mr. Pranav Sharma

Mr. Sahadat Ali

Mr. Deepesh Sharma

Mr. Mrinmay Mukherjee

Mr. Arka Biswas

....For the petitioner.

Mr. Kumar Jyoti Tewari, Sr. Adv.

Mr. Arijit Majumdar

Mr. Piyush Kumar

Ms. Isabella Pal

Mr. Venketeshwar Sonkar

....For the Union of India.

Hearing Concluded On : 10.02.2026

Judgment on : 13.02.2026

Krishna Rao, J.:

1. The petitioner has filed the present writ application challenging the Look Out Circular issued by the respondent no.1 against the petitioner. The petitioner is a chemist by profession. In the year 2006, the petitioner was appointed as an Assistant Manager at Elder Pharmaceuticals Limited and he was continued with the said post till the year 2009. Thereafter the petitioner was employed with Cell Life Therapeutics Pvt. Ltd., Cerberus Venture Pvt. Ltd., AR Printing and Packaging Pvt. Ltd., AR Printpack Ltd. and Stone Sapphire Pvt. Ltd.
2. In the year 2013, the petitioner left India to China to pursue better career opportunities and joined Shanghai Shitai Co. Ltd. and is residing in China. The petitioner got a job at AD Global Limited in 2014 in Shanghai and since then the petitioner is employed with the said company. The petitioner had also married to a Chinese National. The parents of the petitioner are residing at Kolkata and the petitioner frequently comes to Kolkata to meet his old aged parents. On 15th December, 2025, the petitioner along with his wife and children came to Kolkata to reside with his parents till 20th December, 2025. On 21st December, 2025, when the petitioner reached NSCB International Airport, Kolkata to proceed to Bangladesh to attend a conference, the immigration authorities stopped the petitioner and did not permit the petitioner to go to Bangladesh and directed the petitioner to meet the

higher officials of the Bureau of Immigration at the airport and upon meeting, the petitioner came to know that a Look Out Circular has been issued against the petitioner on 7th February, 2025 in connection with the investigation into the affairs of the Company, namely, Elder Pharmaceuticals Limited.

- 3.** Mr. Sabyasachi Chaudhury, Learned Senior Advocate, representing the petitioner submits that the petitioner was allowed to leave the Airport only after signing an “undertaking” and a “request for appearance” at the office of the respondent no.1. As per undertaking, the petitioner had appeared before the authorities on 22nd December, 2025 wherein the authorities have recorded the statement of the petitioner. He submitted that whenever the authorities have called the petitioner, the petitioner has appeared before the authorities.
- 4.** Mr. Chaudhury submits that the petitioner is being unnecessarily detained by the respondent authorities for which there are no legally justifiable grounds. He submits that the petitioner is continuously coming to India from China since the year 2015 till date every year to see his old aged parents at Kolkata.
- 5.** Mr. Chaudhury submits that the Look Out Circular issued against the petitioner is in blatant disregard and in contravention of the Office Memorandum dated 22nd February, 2021. The petitioner has been detained without complying with the procedure established by law.

6. Mr. Chaudhury submits that the affairs of AD Global and Elder Biomeda have no connection with the petitioner as the petitioner was a mere employee of AD Global Ltd. He submits that there is no cognizable offence against the petitioner is made out and no Look Out Circular can be issued without a cognizable offence.
7. Mr. Chaudhury in support of his submissions, has relied upon the judgment in the case of ***Mritunjay Singh Vs. Union of India & Ors.*** reported in **2022 (3) CHN (Cal) 1** and submits that recourse to Look Out Circular can be taken by the investigating agency in cognizable offences under Indian Penal Code (IPC) or other penal laws, where the accused is deliberately evading arrest or not appearing in the trial Court despite using coercive measures and there is a likelihood of the accused leaving the country to evade trial/arrest.
8. Mr. Chaudhury further relied upon the judgment in the case of ***Vishambhar Saran Vs. Bureau of Immigration and Others*** reported in **2021 SCC OnLine Cal 3074** and submits that the respondent authorities have failed to justify rationally as to why the departure of the petitioner from India would, in any manner, be detrimental to the sovereignty or security or integrity of India or to the bilateral relations with any country or to the strategic or economic interests in India as a whole. The mere subsistence of an allegation of default could not trigger the issuance of the LoC at the drop of a hat.

- 9.** Mr. Kumar Jyoti Tewari, Learned Senior Advocate representing the respondents filed status report in terms of the order passed by this Court dated 5th February, 2026. He submits that in exercise of Powers under section 212(1)(a) read with Section 217(1)(c) of the Companies Act, the Ministry of Corporate Affairs by an order dated 12th December, 2019, directed investigation against the affairs of Elder Pharmaceuticals Ltd. (EPL).
- 10.** Mr. Tewari submits that Elder Pharmaceuticals Ltd. was a pharmaceutical company and was in the business of manufacturing and marketing of medicines. Though the Company was a Public listed Company but the Company was closely held and monitored by its promoters. Due to non-payment of public deposits and debts by the company, various petitions were filed before the High Court at Bombay on the allegation of mismanagement and fraudulent conduct of business and prayed for wound-up of the said company. One Company Petition No. 488 of 2015, the Bombay High Court appointed one M/s. T.R. Chadha and Company Chartered Accountants as Court Commissioner to scrutinize the accounts of the company and to verify various assets forming undertaking of the Company.
- 11.** M/s. T.R. Chaddha and Company submitted a report wherein it was found that the Company has siphoned off an amount of Rs. 1300 crores and the Bombay High Court has passed an order for winding up the Company and appointed Official Liquidator attached to the Bombay High Court for further manage the affairs of the company. In the

meantime the Registrar of Company Mumbai has also conducted inspection of the Company under Section 206(5) of the Companies Act, 2013 and submitted its report highlighting about various violations and non-compliances of the provisions of Companies Act, 1956 and 2013. It was also found that the Company failed to pay about 23,946 public deposit holders and come to the conclusion that the Company has diverted its funds and recommended for investigation by the Serious Fraud Investigation Office (SFIO) and accordingly the Ministry of Corporate Affairs formed an opinion for investigation into the affairs of the Company by the SFIO.

- 12.** Mr. Tewari submits that during the investigation, it is revealed that the Company in a fraudulent manner siphoned off the funds of the Company resulting in non-payment of deposit collected from the Public to the tune of Rs. 176.59 crores pertaining to 23,946 holders. He submits that during investigation, it further reveals that the petitioner was associated with the Elder Group since 2006-2007 and was also amongst the close associates of the promoter as the petitioner was an employee in one of the group company of the Elder Group, namely, Elder Health Care Limited.
- 13.** Mr. Tewari submits that the petitioner was the sole shareholder of a foreign based Company, namely, AD Global EOOD to whom the EPL sold its two foreign based steps down subsidiaries by way of fraudulent scheme to siphon off the fund to the tune of Rs. 215 crores which were actually advanced by EPL to its foreign subsidiaries.

- 14.** Mr. Tewari further submits that considering the materials available on record and keeping in view of the '*economic interest of India*', a Look Out Circular was opened against the petitioner in the month of February, 2025 in terms of the Office Memorandum dated 22nd February, 2021. It is submitted that the investigation of the affairs of the ELP is completed and an investigation report dated 6th May, 2025, has already been submitted to the Ministry of Corporate Affairs in terms of Section 212(12) of the Companies Act, 2013 and now only directions from the Ministry in terms of Section 212(14) is awaited.
- 15.** Mr. Tewari submits that during investigation summons were dispatched to the petitioner's Indian address but the same was not delivered as the petitioner was not found at the last known address. He submits that summons was also served to the petitioner through his registered e-mail address but the petitioner failed to respond the said summons. He submits that the petitioner came to know about the summons received through e-mail when he was at Bangkok in February, 2025 but he has not contacted the investigating agencies.
- 16.** Mr. Tewari submits that the petitioner was detained at the airport on 23rd December, 2025, pursuant to the LOC issued against the petitioner and during interrogation, the petitioner agreed to submit crucial documents as required by the authorities but till date the petitioner has not furnished the said documents. He submits that if this Court at this stage interferes with the LoC issued against the petitioner, there is every apprehension that the petitioner will flee away

from justice and it will be impossible to bring the petitioner back in India.

- 17.** The petitioner has relied upon the Clauses 6 (G),(H),(I), (J) and (L) of the guidelines dated 22nd February, 2021, which reads as follows:

“(G) The legal liability of the action taken by the immigration authorities in pursuance of the LOC rests with the originating agency.

(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 and 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.

(J) The LOC opened shall remain in force until and unless a deletion request is received by BoI from the Originator itself. No LOC shall be deleted automatically. Originating Agency must keep reviewing the LOCs opened at its behest on quarterly and annual basis and submit the proposals to delete the LOC, if any, immediately after such a review. The BOI should contact the LOC Originators through normal channels as well as through the online portal. In all cases where the person against whom LOC has been opened is no longer wanted by the Originating Agency or by Competent Court, the LOC election request must be conveyed to BoI immediately so that liberty of the individual is not jeopardized.

(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 of time.”

18. As per report submitted by M/s. T.R. Chaddha and Company in terms of the order passed by the Bombay High Court it reveals that Rs. 1300 crores have been siphoned out of the Company/ Elder Pharmaceuticals Ltd. The inspection conducted by the Registrar of Companies, Mumbai it was also found that EPL failed to pay about 23,946 public deposit holders and diverted the funds illegally. As per investigation, it reveals that EPL fraudulently siphoned off the funds resulting in non-repayment of deposits collected from the Public to the tune of Rs. 176.59 crores pertaining to 23,946 holders.
19. The petitioner was associated with Elder Group since 2006-2007 and was also amongst the close associates of the promoter of EPL being an employee of one of the group company of Elder Group namely Elder Health Care Limited. The petitioner was shareholder of a foreign based Company, namely, AD Global EOOD to whom the EPL sold its two foreign based steps down subsidiaries by way of fraudulent scheme to

siphon off the funds to the tune of Rs. 215 crores which actually advanced by EPL to the said foreign subsidiaries.

- 20.** As per the investigation report, EPL extended loans and advances of Rs. 215 Crores to its wholly owned subsidiary Elder International FZCO, Dubai. These loans and advances were without any terms and conditions and were never intended to be recovered by the CUI. Elder International FZCO in turn had advanced loans to its UK and Bulgaria based subsidiaries. Elder International FZCO was totally in control of the promoters of the EPL. On 31st March, 2015, Elder International FZCO had written back the loans received from CUI stating that CUI decided not to recover them. Elder International FZCO further has written off/ impaired loans and investments made in its UK and Bulgaria based step down subsidiaries. Investigation reveals that subsidiaries of these step-down subsidiaries were sold to the petitioner who is the employee and close associate of the promoter of the CUI for negligible value.
- 21.** The report further reveals that the petitioner was instrumental in selling of Brunel Healthcare and Biocare Limited under the direction of Anuj Saxena despite of the fact that he was the sole owner of both entities. Though the petitioner claims that the petitioner was not the employee of CUI after 2009 but as per the details of his email, the petitioner continued advising, communicating and informing promoters of CUI till 2016.

- 22.** At the time of investigation, summons was sent to the petitioner as per last known address but the same was returned “unserved”. An e-mail was also sent to the petitioner but the petitioner has taken the plea that in China there is restriction on Yahoo’s servers but has admitted that he came to know about the email when he accessed his Yahoo email when he was in Bangkok in February, 2025 but inspite of the same, the petitioner failed to contact with the Investigating Agency or sent any reply to the said email. As per the case of the petitioner, the petitioner came to Kolkata on 15th December, 2025 but failed to meet the Investigating Agency. The authorities have apprehended the petitioner when the petitioner was intending to proceed to Bangladesh on 21st December, 2025.
- 23.** When the petitioner was apprehended at the airport as per the LOC issued against the petitioner, the petitioner has assured the authorities that the petitioner will submit documents but the petitioner has not submitted the same. The authorities have also sent an email to the petitioner for submission of documents but inspite of receipt of email, the petitioner has not submitted documents to the authorities.
- 24.** It is the admitted case of the petitioner that the petitioner has left India and settled in China and also married to the Chinese National and out of the said wedlock, two children were born. It is also the admitted case of the petitioner that the petitioner had to go to Bangladesh and from Bangladesh, the petitioner will go to China.

- 25.** The investigation of the case is completed. Under Section 212(14) of the Companies Act, 2013, the Central Government has been empowered to direct the SFIO to initiate prosecution against the company or its officers, if the Central Government considers it necessary after examination of only the investigation report issued under Section 212(12) i.e. after completion of the investigation.
- 26.** Under Section 212(15), it is only the investigation report submitted only upon completion of the investigation which is filed with the Special Court is deemed to be police officer's report under Section 173 of the Criminal Procedure Code, 1973.
- 27.** Considering the above, this Court finds that the petitioner has left India and settled in China. In spite of receipt of summons through email, the petitioner failed to appear before the Investigating Agency. Even when the petitioner came to India, failed to meet the Investigating Agency. Now, the petitioner intending to go to China through Bangladesh.
- 28.** The case relied by the petitioner in the case of ***Vishambhar Saran (supra)*** and ***Mritunjay Singh (supra)*** are not applicable in the facts and circumstances of this present case. It is not the case of the petitioner that the petitioner intends to travel to China for a brief period. It is the specific case that the petitioner left India and settled in China and also married to Chinese citizen and only coming to India once in a year to see his parents. In the case of ***Mritunjay Singh***

(supra), the Hon'ble Division Bench of this Court also noted that there is no likelihood of the accused leaving the country to evade arrest/trial.

- 29.** If the Central Government directs the SFIO to initiate prosecution on the basis of the investigation report, and if the report is filed before the Special Court, the Special Court will take cognizance of the case and will issue summons upon the petitioner for appearance before the Learned Special Court, there is every chance that the petitioner will not appear before the Special Court and will avoid the proceeding. It will be difficult for the Indian Government to bring the petitioner back to India to face trial before the Special Court.
- 30.** In view of the above, this Court did not find any justification to set aside or quash the Look Out Circular against the petitioner.
- 31. W.P.A. No. 2772 of 2026 is disposed of.**

Parties shall be entitled to act on the basis of a server copy of the Judgment placed on the official website of the Court.

Urgent Xerox certified photocopies of this judgment, if applied for, be given to the parties upon compliance of the requisite formalities.

(Krishna Rao, J.)