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MCRC-46274-2024

IN THE HIGH COURT OF MADHYA PRADESH
AT GWALIOR

BEFORE

HON'BLE SHRI JUSTICE RAJESH KUMAR GUPTA

ON THE 27th OF APRIL, 2026MISC. CRIMINAL CASE No. 46274 of 2024

*JAIDEEP ISPAT AND ALLOYS PVT. LTD. FORMERLY KNOWN AS
M/S GUNJAN IRON AND STEEL INDIA PVT. LTD. AND OTHERS*

Versus

REGISTRAR OF COMPANIES MINISTRY OF CORPORATE AFFAIRS

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Appearance:

Shri Ankur Modi with Shri Karan Virvani- Advocate for the petitioner.

Shri Praveen Kumar Newaskar- Additional Solicitor General for the respondent.

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HEARD ON: 20.04.2026

DELIVERED ON : 27.04.2026

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ORDER

1. The present petition under Section 482 of the Code of Criminal Procedure, 1973 has been preferred by the petitioners seeking quashment of the order dated 20.01.2024 passed by the Court of Chief Judicial Magistrate, Gwalior, whereby the learned Magistrate held the complaint filed by the respondent to be within limitation, took cognizance of the alleged offences and registered the complaint against the petitioners. The petitioners have further prayed for quashment of Complaint Case No. RCT 336/2024 and all consequential proceedings arising therefrom.

2. Brief facts of the case are that the petitioner No.1 is a company incorporated under the provisions of the Companies Act and petitioner No.2 is one of its Directors. Petitioner No.2 has been duly authorized to prosecute



the present petition on behalf of petitioner No.1. The respondent/Registrar of Companies filed a complaint on 16.10.2023 alleging violation of Section 186(4) of the Companies Act, 2013 punishable under Section 186(13) thereof. The allegation in substance is that in the financial statements of petitioner No.1 company for the financial years 2012-13, 2013-14 and 2014-15, loans and advances were shown, but complete particulars thereof were allegedly not disclosed in accordance with law. It appears from the complaint itself that an enquiry under Section 206(4) of the Companies Act, 2013 was initiated by the respondent vide notice dated 22.08.2017. Thereafter, enquiry reports were submitted by the respondent to the Ministry of Corporate Affairs on 02.11.2017, 24.04.2018 and 04.10.2019.

3. Subsequently, another notice dated 27.11.2020 under Section 206(3) of the Act was issued seeking further information and explanation from the petitioners. The petitioners submitted reply dated 12.01.2021, which was received by the respondent on 14.01.2021. Thereafter, as stated in the complaint, the respondent received instructions from the Ministry of Corporate Affairs on 26.04.2023 and on the basis thereof instituted the complaint on 16.10.2023 before the Court of Chief Judicial Magistrate, Gwalior. The Chief Judicial Magistrate, by the impugned order dated 20.01.2024, held that the complaint was within limitation reckoning the period from the date of receipt of instructions from the Ministry and accordingly took cognizance and registered the case against the petitioners. Aggrieved by the said order as well as the complaint proceedings, the present petition has been filed.



4. Learned counsel for the petitioners submitted that the impugned order suffers from patent illegality and non-application of mind. It is contended that the alleged offence under Section 186(13) of the Companies Act is punishable with imprisonment up to two years and therefore the period of limitation prescribed under Section 468 Cr.P.C. is two years. It is further argued that the respondent had acquired complete and actionable knowledge regarding the alleged violations much earlier, at least when enquiry reports were submitted in the years 2017, 2018 and 2019. Even if utmost benefit is given to the respondent, limitation would commence latest from 14.01.2021, when the petitioners' reply to notice dated 27.11.2020 was admittedly received. Thus, the complaint ought to have been filed on or before 13.01.2023, whereas the same was filed only on 16.10.2023 and is therefore barred by limitation. It is further submitted that the Magistrate committed grave error in reckoning limitation from the date of receipt of instructions from the Ministry of Corporate Affairs. It is further added to the arguments that the complaint was barred by limitation and should have been thrown out at the very first instance. While placing reliance in the matter of *Kavi Arora Vs. Registrar of Companies reported in 2015 SCC Online Delhi 12300*, it was argued that there is no provision under the Act, whereby consent/sanction of the Central Government is required for prosecution of the offences under Section 209-A(8) and (9) of the Companies Act, therefore, the complainant cannot take shelter of Section 470(3) of Cr.P.C. for exclusion of such time taken by the Central Government to give instructions/sanction to the Registrar of Companies. Further reliance first



placed in the matter of *Partha Ghosh Vs. Registrar of Companies and another passed on 12.12.222 in Criminal Miscellaneous Case No.5763/2014* by High Court of Delhi. He also placed reliance in the matter of *State Vs. Seshamal Pandeya and others passed in criminal appeal No.327/1981 decided on 14.03.1986*. It is argued that once no provision under the Companies Act requires prior sanction or approval of the Ministry for launching prosecution under Section 186(13) then, the internal administrative correspondence cannot extend statutory limitation. It is also submitted that material documents and replies submitted by the petitioners were not properly considered and the complaint itself suppresses relevant facts. On these grounds, it is prayed that the impugned order and complaint proceedings be quashed.

5. Per contra, learned counsel appearing for the respondents opposed the petition and supported the impugned order and submitted that after enquiry, the matter was referred to the Ministry of Corporate Affairs and only after receipt of instructions dated 26.04.2023, the complaint could be filed. Hence, the Magistrate rightly computed limitation from the said date. It is further submitted that the complaint discloses prima facie commission of offence and once cognizance has been taken, the petitioners ought to face trial. The Court below had rightly concluded that since the complaint has been filed within limitation from the date of receiving sanction from the Central Government, the same is within limitation. While placing reliance on Section 209-A(6) of the Companies Act, 1956 submitted that since after inspection the report is required to be sent to the Central Government,



necessary sanction is required to be obtained prior to filing of the complaint.

To bolster his submissions he placed reliance in the matter of *Anil Prakash Sahu Vs. Registrar of Companies and others* passed on 11.04.2023 in criminal revision No.567/2023 by this Court as well as in the matter of *Registrar of Companies Vs. Rajshree Sugar & Chemicals Ltd. & others reported in AIR 2000 SC 1643*. Accordingly, dismissal of the petition has been prayed for.

6. Heard learned counsel for the parties and perused the record.

7. The principal issue arising for consideration is whether the complaint filed on 16.10.2023 was within limitation.

8. Section 468 Cr.P.C. bars taking cognizance of offences after expiry of the prescribed period of limitation. For offences punishable with imprisonment not exceeding two years, the limitation period is two years. Section 469 Cr.P.C. provides that where the commission of offence was not known to the aggrieved person or authority, limitation shall commence from the first day on which the offence comes to knowledge of such person or authority.

9. In the present case, the complaint itself reveals that enquiry proceedings commenced in the year 2017. Reports were thereafter submitted on 02.11.2017, 24.04.2018 and 04.10.2019. These admitted facts clearly indicate that the respondent was aware of the alleged violations long prior to filing of the complaint. Even assuming the most liberal view in favour of the respondent, once further notice dated 27.11.2020 was issued and reply thereto was received on 14.01.2021, the respondent undeniably possessed



complete knowledge and material sufficient to decide whether prosecution was warranted. Thus, in no circumstance can limitation be postponed beyond 14.01.2021. If limitation is reckoned from 14.01.2021, the statutory period of two years expired on 13.01.2023. The complaint filed on 16.10.2023 is therefore clearly beyond limitation.

10. The reasoning adopted by the Chief Judicial Magistrate that limitation would commence only from the date instructions were received from the Ministry of Corporate Affairs is unsustainable. Administrative approvals, departmental communications or internal procedures cannot override the mandate of Sections 468 and 469 Cr.P.C. Unless the statute specifically requires previous sanction or consent for prosecution, such internal processes cannot suspend or extend limitation.

11. No provision of the Companies Act, 2013 has been shown requiring prior sanction of the Ministry for prosecuting an offence under Section 186(13). Therefore, the respondent cannot claim benefit of time allegedly spent awaiting instructions. The offence alleged also cannot be treated as a continuing offence. The allegation pertains to non-disclosure in financial statements of specific years. Such alleged omission, if at all committed, stood completed when the concerned statements were filed. Hence, the Magistrate committed jurisdictional error in taking cognizance of a time-barred complaint.

12. In view of the aforesaid analysis, this Court is of the considered opinion that the complaint instituted by the respondent on 16.10.2023 was barred by limitation and the Chief Judicial Magistrate, Gwalior erred in law



in holding otherwise.

13. Accordingly, the petition is **allowed**. The impugned order dated 20.01.2024 passed by the Court of Chief Judicial Magistrate, Gwalior is hereby **set aside**. Complaint Case No. **RCT 336/2024** instituted against the petitioners and all consequential proceedings arising therefrom are hereby **quashed**.

14. No order as to costs.

(RAJESH KUMAR GUPTA)
JUDGE

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