IN THE HIGH COURT AT CALCUTTA
CRIMINAL REVISIONAL JURISDICTION
APPELLATE SIDE

PRESENT:
THE HON'BLE JUSTICE UDAY KUMAR

CRR 1404 of 2021

Rajeev Nandi (Bimal Kumar Nandi Since Deceased)
-Vs-
The Registrar of Companies

For the Petitioner	: Mr. Somesh Kumar Ghosh Ms. Chittapriya Ghosh Ms. Priyanka Ghosh
For the Registrar Of Companies	: Mr. Anirban Mitra
Hearing concluded on	: 09.12.2025
Judgment on	: 16.01.2026

UDAY KUMAR, J.: –

1. The petitioner, a former director of Falcon Aerospace Private Limited (hereinafter referred to as 'the company'), has approached this Court invoking its inherent jurisdiction under Section 482 read with Sections 397/401 of the Code of Criminal Procedure. He seeks quashing of the proceedings in Complaint Case No. 53 of 2020 pending before the Learned Judge, 2nd Special Court, Calcutta, and challenges the legality of the cognizance order dated 10.12.2020. The challenge is primarily pivoted on the anvil of Section 468 of the Code, with the petitioner contending that the prosecution is a stale one, hit by the statutory bar of limitation, and that the inclusion of the charge of fraud is a mere artifice to bypass the procedural barricades of the law.

2. The genesis of the prosecution lies in an extensive investigation conducted by the Ministry of Corporate Affairs (MCA) under Section 210(1)(c) of the Companies Act, 2013, into the affairs of the “Royal International Group” and its myriad associates. The probe unearthed a systemic and predatory design to defraud the unsuspecting public through a "Master Franchise" scheme, where various entities were allegedly used as conduits for the illegal collection of public deposits.

3. During this probe, the petitioner’s company, Falcon Aerospace Private Limited, was identified as a group entity. The investigation report alleged that while the group operated a complex web of financial irregularities, the specific role attributed to this petitioner involved significant statutory and procedural defaults. Following the report, the MCA accorded sanction to prosecute on 08.01.2019. However, the formal complaint was lodged by the Registrar of Companies (ROC) only in December 2020, approximately twenty-three months post-sanction.

4. Mr. Somesh Kumar Ghosh, Learned Advocate appearing for the petitioner, argued with much vehemence that the allegations are strictly confined to "compliance defaults"—specifically Section 166 (AGM) and Section 217 (Board’s Report) of the 1956 Act, and Section 96 (AGM) and Section 128 (Books of Account) of the 2013 Act. These offences carry a maximum imprisonment of one year. Consequently, under Section 468(2) (b) of the Code, the limitation is one year. He contended that the Learned Judge took cognizance of Section 447 (Fraud) without a single specific allegation of *mens rea* or fraudulent intent, merely to circumvent the limitation bar by invoking the "most severe punishment" rule under Section 468(3). He relies on *State of*

Punjab v. Sarwan Singh (AIR 1981 SC 1054) to emphasize that the object of limitation is to prevent "vexatious and belated prosecutions" which violate the right to a speedy trial under Article 21.

5. Per contra, Mr. Anirban Mitra, learned advocate for the Registrar of Companies, submits that corporate frauds are, by their very nature, "complex and multi-layered." He argues that the company was not an isolated island but a cog in the wheel of a larger conspiracy to siphon public funds. He invokes Section 468(3) of the Code to argue that when multiple offences are tried together, the limitation is governed by the most severe offence—in this case, Section 447, which provides for imprisonment up to ten years. He further relies on *Vikas Aggarwal v. Serious Fraud Investigation Office* to contend that the "interest of justice" under Section 473 demands that such crimes against the public exchequer should not be stifled at the threshold.

6. The core question that falls for determination is “whether the "administrative defaults" can be hermetically sealed and divorced from the "fraudulent design."

7. In corporate criminal jurisprudence, the failure to maintain books of accounts or the non-filing of statutory reports is seldom a mere procedural lapse. It is often the very veil used to shroud the diversion of funds and the siphoning of public money.

8. The law regarding limitation in criminal cases is no longer *res integra*. In *Sarah Mathew v. Institute of Cardio Vascular Diseases (2014) 2 SCC 62*, the Constitution Bench held that the relevant date for computing limitation is the date of filing the complaint. Furthermore, Section 468(3) Cr.P.C. provides that “*for the purpose of this section, the period of limitation... shall be determined* *with reference to the offence which is punishable with the most severe punishment."*

9. In the present case, the complaint is not limited to "minor defaults." It alleges a deep-rooted fraud involving a group of companies. Once the investigation report implicates the entity in a conspiracy to defraud the public, the "one-year" limitation for minor defaults merges into the larger timeline of the fraud charge. Section 447 of the Companies Act, 2013, is a draconian provision aimed at curbing corporate malfeasance. The "administrative defaults" under Sections 128 and 217 are merely the overt acts of a deeper fraudulent design. I am unable to subscribe to the petitioner's view that cognizance was taken mechanically. A Director stands in a fiduciary capacity. If a company, under the petitioner's watch, is found to be a vehicle for illegal deposit collection, the failure to file accounts is not a mere omission; it is a *prima facie* act of concealment.

10. The "interest of justice" under Section 473 of the Code is not a vacuous expression. It must be interpreted in the context of economic offences where public money is at stake. Technicalities of limitation cannot be used as a "get out of jail free" card by corporate entities when the allegations suggest a deep-rooted conspiracy to defraud the common man. The complexity of probing a corporate group involving seven entities and a partnership firm (RIT) naturally justifies the time taken between the sanction and the filing.

11. Upon an exhaustive and logical discussion, this court arrived at following legal conclusions:

i. First, under Section 468(3) of the Code, the presence of a grave offence (Section 447) in the complaint extends the limitation period for the entire prosecution, including the lesser administrative defaults and the lesser statutory non-compliances.

ii. Second, administrative omissions in corporate governance (failure to maintain books) are constituent elements of fraud when used to conceal financial irregularities.

iii. Third, the absence of a formal "condonation order" under Section 473 does not vitiate the proceedings where the gravity of the offence and the public interest involved are self-evident on the face of the record, justifying the implicit exercise of such power by the Trial Court.

12. In light of the aforesaid observations, I find no merit in the revisional application. The plea of limitation is unsustainable. The challenge to the cognizance order dated 10.12.2020 fails on both counts of limitation and merit.

13. C.R.R. 1404 of 2021 is accordingly dismissed.

14. The Learned Trial Court is directed to proceed with the trial with utmost expedition.

15. The petitioner is at liberty to raise all other defenses, including the absence of specific *mens rea*, during the course of the trial.

16. All consequential interim orders stand vacated.

17. Any connected applications are also disposed of.

18. There shall be no order as to costs.

19. The Trial Court Record (TCR), if any, shall be sent down to the Trial Court, at once.

20. Case diary, if any, be returned forthwith.

21. Urgent Photostat certified copy of this judgment, if applied for, be given to the parties, as expeditiously as possible, upon compliance with the necessary formalities in this regard.

(Uday Kumar, J.)