



IN THE HIGH COURT OF ORISSA AT CUTTACK

A.F.R.

CRLMC No. 5590 of 2025

(In the matter of an application under Section 482 of Criminal Procedure Code, 1973/ Section 528 of Bharatiya Nagarik Suraksha Sanhita).

M/S Ferro Alloys Corporations Ltd. *Petitioner(s)*

-versus-

Sub Divisional Magistrate, *Opposite Party (s)*
Champua & Anr.

Advocates appeared in the case through Hybrid Mode:

For Petitioner(s) : *Mr. Sarada Prasanna Sarangi, Adv.*

For Opposite Party (s) : *Ms. Sarita Moharana, ASC*

CORAM:

DR. JUSTICE SANJEEB K PANIGRAHI

DATE OF HEARING:-11.05.2026

DATE OF JUDGMENT:-22.05.2026

Dr. Sanjeeb K Panigrahi, J.

1. The Petitioner, by way of the present petition, seeks quashing of the entire proceedings in Complaint Case being 2(c) C.C. No. 19 of 2014, instituted by the Sub-Divisional Magistrate, Champua, Keonjhar, Odisha, and presently pending before the Court of the learned Judicial Magistrate First Class, Barbil.

I. FACTUAL MATRIX OF THE CASE:

2. The brief facts of the case are as follows:

(i) On 01.08.1998, a mining lease deed was executed between Petitioner No. 1 and the State Government in respect of a mining



lease over an area measuring Ac.13.674 hectares situated in two blocks under Katasahi village in the district of Keonjhar, for a period of twenty years, in terms of the provisions of the Mines and Minerals (Development and Regulation) Act, 1957.

- (ii) That on 06.03.2014, the Opposite Party instituted Complaint Case bearing No. 2(C) C.C. No. 19 of 2014 against the Petitioners before the Court of the learned Judicial Magistrate First Class, Barbil. In the said complaint petition, it was alleged, inter alia, that the Regional Officer, State Pollution Control Board, Keonjhar, had reported that the concerned mine did not possess a valid Environmental Clearance or consent to operate for extraction of Manganese Ore up to 31.03.2011, and despite such absence of requisite statutory clearance, mining operations and production activities were continued during the years 2005-06, 2006-07, 2007-08 and 2009-10, allegedly exceeding the permissible consented limits, particularly during the year 2008-09.
- (iii) It was further alleged in the complaint petition that the production carried out beyond the permissible limit amounted to violation of the provisions of the Environment (Protection) Act, 1986. It is stated that, in view of such alleged violations, the Ministry of Environment and Forests, Government of India, as well as the Forest & Environment Department, Government of Odisha, vide Letter No. 19839/F&E dated 24.09.2013, directed the Collector, Keonjhar, to initiate appropriate legal action against the concerned mining project. Pursuant thereto, the impugned



complaint came to be instituted alleging that the accused company, namely the Petitioner Company, had produced manganese ore in excess of the approved limits during the period from 01.04.2002 to 31.03.2009 without obtaining Environmental Clearance, thereby contravening the provisions of the Environment (Protection) Act, 1986 and the EIA Notification, 1994. On the basis of such allegations, it was contended that the accused company was liable to be prosecuted and punished under Section 15 of the Environment (Protection) Act, 1986.

- (iv) It is stated that the learned Judicial Magistrate First Class, Barbil, vide order dated 29.04.2014, took cognizance of the alleged offences in the impugned complaint case and issued summons to the Petitioners. Thereafter, on 04.07.2015, the Petitioners entered appearance before the learned J.M.F.C., Barbil. It is further stated that the allegations made in the impugned complaint petition, including the alleged violations of the provisions of the Environment (Protection) Act, 1986 and the consequential proceedings arising therefrom, pertain to the period when the Petitioner Company was functioning under its erstwhile management.
- (v) It is further stated that, while the matter stood thus, an application bearing C.P. (I.B.) No. 251/KB/2017 under Section 7 of the Insolvency and Bankruptcy Code, 2016 came to be filed by Rural Electrification Corporation Limited before the learned National Company Law Tribunal, Kolkata Bench, seeking



initiation of the Corporate Insolvency Resolution Process (CIRP) against the Petitioner Company. It is stated that the learned NCLT, Kolkata, vide order dated 06.07.2017, admitted the said application, appointed an Interim Resolution Professional to take over the management and affairs of the Petitioner Company from its Board of Directors, and imposed moratorium in terms of Section 14 of the Insolvency and Bankruptcy Code, 2016.

- (vi) That the aforesaid order dated 06.07.2017 passed by the learned NCLT, Kolkata was challenged by the erstwhile management of the petitioner before the learned National Company Law Appellate Tribunal in Company Appeal (AT) No. 92/2019, which came to be dismissed by order dated 08.01.2019. Similarly, Civil Appeal No. 1484/2019 was filed before the Hon'ble Supreme Court against the order of the NCLAT, which came to be dismissed vide order dated 11.02.2019.
- (vii) That on 30.10.2019, M/s Sterlite Power Transmission Ltd. submitted a Resolution Plan for the Petitioner Company, to be implemented through one of its group companies. It is stated that, under the terms of the said Resolution Plan, the new management of the Petitioner Company was not to be held liable for any past non-compliance or violations of applicable laws allegedly committed by the erstwhile management, and all proceedings relating thereto were to stand permanently extinguished upon approval of the Resolution Plan.



- (viii) It is further stated that the learned National Company Law Tribunal, Cuttack Bench, vide order dated 30.01.2020, approved the Resolution Plan submitted by M/s Sterlite Power Transmission Limited. It is stated that the said order dated 30.01.2020 was thereafter assailed before the learned National Company Law Appellate Tribunal in Company Appeal (AT) (Insolvency) Nos. 207–208 of 2020 and Company Appeal (AT) (Insolvency) No. 272 of 2020. However, the said appeals came to be dismissed vide orders dated 12.03.2020 and 08.06.2020 respectively, thereby confirming the order passed by the learned NCLT, Cuttack Bench.
- (ix) It is further stated that, pursuant to the Resolution Plan approved by the learned National Company Law Tribunal, the Board of Directors of the Petitioner Company came to be reconstituted on 21.09.2020, and the management and control of the Petitioner Company were thereafter taken over by the new management.
- (x) It is further stated that this Hon'ble Court, in W.P.(C) No. 20286 of 2020 [Ferro Alloys Corporation Ltd. v. State of Odisha & Others], vide judgment dated 10.12.2021, has already taken judicial notice of the successful completion of the Corporate Insolvency Resolution Process of the Petitioner Company and quashed the impugned demands pertaining to the period prior thereto, which had arisen out of the acts and omissions of the erstwhile management.



Being aggrieved by the aforesaid facts and circumstances, the Petitioner has been constrained to approach this Court by filing the present CRLMC Application seeking appropriate relief in accordance with law.

II. SUBMISSIONS ON BEHALF OF THE PETITIONER:

3. The learned counsel for the Petitioner respectfully and earnestly made the following submissions in support of his contentions:

- (i) The Petitioner submits that the Petitioner Company has successfully undergone the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016, resulting in a complete change in the management and control of the Company. It is contended that, in view of Section 32A of the Insolvency and Bankruptcy Code, 2016, the liability of the corporate debtor in respect of any offence allegedly committed prior to the commencement of the CIRP stands extinguished upon approval of the Resolution Plan and consequent change in management. The Petitioner therefore submits that continuation of the present criminal proceeding, in relation to alleged historical acts attributable to the erstwhile management, is legally impermissible and barred under law.
- (ii) It was further contended on behalf of the Petitioner that all the statutory conditions contemplated under Section 32A of the Insolvency and Bankruptcy Code, 2016 stand fully satisfied in the present case. It is submitted that the Resolution Plan in respect of the Petitioner Company was duly approved by the learned National Company Law Tribunal, Cuttack Bench, vide judgment



dated 30.01.2020 passed in C.P. (I.B.) No. 251/KB/2017, pursuant to which there occurred a complete and absolute change in the management and control of the Petitioner Company. It is further submitted that the present management is neither connected with nor related to any erstwhile promoter or person who was in management or control of the corporate debtor prior to commencement of the CIRP. According to the Petitioner, there is no material available on record to indicate, or even remotely suggest, that the present management had in any manner abetted, conspired, or participated in the commission of the alleged offences forming the subject matter of the present proceeding.

- (iii) It is further contended that Section 32A of the Insolvency and Bankruptcy Code, 2016 was enacted with the specific legislative intent of providing a “clean slate” to the corporate debtor upon approval of a Resolution Plan and transfer of management to a new and unrelated entity. According to the Petitioner, the said provision seeks to extinguish criminal and penal liabilities arising out of past acts, omissions, or defaults attributable to the erstwhile management, so as to facilitate effective revival and rehabilitation of the corporate debtor. It is submitted that the allegations made in the impugned complaint under Section 15 of the Environment (Protection) Act, 1986 pertain to the period between 2002 and 2009, which is much prior to commencement of the CIRP and approval of the Resolution Plan. Therefore, the



Petitioner contends that continuation of the present criminal proceeding, in relation to such pre-CIRP alleged violations, is expressly barred in law and liable to be quashed.

- (iv) It was respectfully submitted that Section 238 of the IBC, 2016, provides a non-obstante clause ensuring that the Code, being a special enactment and a complete code in itself, exercises overriding authority over all other inconsistent legislations, including criminal and environmental statutes like the EP Act, 1986. This overriding mandate has been explicitly affirmed by the Apex Court in *Innoventive Industries Ltd. v. ICICI Bank and Principal Commissioner of Income Tax v. Monnet Ispat & Energy Ltd*¹.
- (v) In the alternative, and without prejudice to the aforesaid submissions, it is contended that by virtue of the Jan Vishwas (Amendment of Provisions) Act, 2023, the offences punishable under Section 15 of the Environment (Protection) Act, 1986 have been decriminalized with effect from 01.04.2024, inasmuch as the punishment of imprisonment has been deleted and the contraventions have been converted into civil liabilities attracting monetary penalties. It is submitted that the said amendment, being beneficial and ameliorative in nature, is retrospective in operation and squarely applicable to the present proceeding in view of the settled principles laid down in T. Barai. The Petitioner further contends that, when the effect of the aforesaid

¹ 2018 (1) SCC 407



amendment is read conjointly with Section 31 of the Insolvency and Bankruptcy Code, 2016, the continuation of the impugned criminal proceeding becomes wholly unsustainable in the eye of law and is liable to be terminated.

- (vi) It was further argued on behalf of the Petitioner that the expression “offence” occurring in Section 32A of the Insolvency and Bankruptcy Code, 2016 ought to receive a broad, liberal and purposive interpretation so as to advance the legislative object underlying the provision. According to the Petitioner, the said expression is not required to be construed in a narrow or pedantic sense confined only to conventional criminal offences, but must also encompass statutory and regulatory infractions carrying penal consequences, including civil liabilities of a punitive character. It is contended that such an interpretation alone would give full effect to the legislative intent of granting a complete “fresh start” to the corporate debtor after approval of the Resolution Plan, free from the burden of past liabilities and proceedings attributable to the erstwhile management.
- (vii) It is further contended that the inordinate, unexplained, and oppressive delay of more than eleven years in the current criminal proceedings violates the Petitioner's fundamental right to a speedy trial under Article 21 of the Constitution of India. Cognizance was taken as far back as 29.04.2014, and despite the Petitioner appearing regularly through counsel since 04.07.2015, the trial has not progressed beyond issuing repeated summons



due to the perpetual non-availability of prosecution witnesses, as explicitly recorded in the order sheets (such as the orders dated 28.10.2022 and 02.02.2024).

- (viii) It was urged that the entire delay is wholly attributable to the State/complainant. Given that the current management has no connection with or knowledge of events that allegedly occurred nearly twenty years ago, continuing these stale proceedings serves no legal purpose and is a clear abuse of the process of court.
- (ix) It is further argued that the Impugned Complaint is ex facie vague, fundamentally defective, and violative of Section 16 of the EP Act, 1986. The statute mandates that when an offence is committed by a company, the individuals in charge of and responsible to the company at the time must be identified. The Impugned Complaint fails to name any Director, Manager, or Officer responsible during the 2002–2009 period, choosing instead to name the Petitioner Company as the sole accused.
- (x) It was submitted that vicarious liability cannot be fastened upon a corporate entity or individuals unless the complaint specifically pleads the specific role and control of an individual at the relevant time. This incurable, foundational defect is fatal to the prosecution under the law as enunciated in *SMS Pharmaceuticals v. Neeta Bhalla*², *Aneeta Hada v. Godfather Travels*³, and *Sunil Bharti Mittal v. CBI*⁴.

² 2005 SCC (CRI) 1975



(xi) Therefore, submits that the Impugned Complaint and the proceedings arising therefrom are without any basis, arbitrary, and bad in law. Having no alternative efficacious remedy, the Petitioner moves this Hon'ble Court to prevent an abuse of the process of the court and secure the ends of justice by quashing the impugned order of cognizance and all consequential proceedings in exercise of its inherent powers under Section 528 of the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023, read with Section 482 of the Criminal Procedure Code, 1973.

III. SUBMISSIONS ON BEHALF OF THE OPPOSITE PARTIES:

4. *Per contra*, the learned counsel for the Opposite Parties earnestly made the submission that the present CRLMC is not maintainable before this Court and deserves to be rejected in limine.

(i) It was submitted that the learned court below was fully justified in issuing Non-Bailable Warrants (NBWs) against the accused person, Amaresh Chandra Das. The case record clearly establishes that the accused has been willfully absconding and actively avoiding the process of law.

(ii) It was submitted that the provisions of Section 32A of the Insolvency and Bankruptcy Code (IBC), 2016, cannot act as a blanket shield to automatically stifle valid criminal prosecutions under environmental laws. The infractions under Section 15 of the Environment (Protection) Act, 1986, involve serious damage

³ 2012 (5) SCC 661

⁴ (2015) 4 SCC 609



to the ecological balance and public health committed between 2002 and 2009, and the corporate entity cannot evade statutory liability merely by undergoing a subsequent financial restructuring.

- (iii) It is further contended that the amendments introduced by the Jan Vishwas (Amendment of Provisions) Act, 2023, which took effect on 01.04.2024, do not have automatic retrospective application to wipe out past criminal liabilities. Criminal proceedings where cognizance was lawfully taken as far back as 29.04.2014 must be governed by the penal provisions in force at the time of the commission of the offence and the taking of cognizance.
- (iv) It was respectfully submitted that the delay in the progress of the trial is not intentional or oppressive so as to violate Article 21 of the Constitution of India. In complex matters involving environmental infractions by corporate entities, the collection, verification, and production of official records and prosecution witnesses naturally consume time, and such delay cannot be a ground to completely quash a legitimate trial.
- (v) It is further submitted that the complaint is neither vague nor fundamentally defective. A company is a distinct legal juristic person capable of being prosecuted independently for statutory violations. The absence of specific individual names of Directors or Officers in the initial complaint does not absolve the corporate



entity itself from its primary liability for environmental degradation under Section 16 of the EP Act, 1986.

- (vi) It was argued that the Environment (Protection) Act, 1986, is a specialized piece of legislation enacted to give effect to international obligations and safeguard the right to a clean environment. Therefore, the overriding provisions of the IBC under Section 238 cannot be stretched unreasonably to extinguish liabilities arising out of penal offenses affecting public welfare and the environment.

IV. COURT'S REASONING AND ANALYSIS:

5. Heard Learned Counsel for parties and perused the documents placed before this Court.
6. At the outset, it is to be noted that the scope of interference in exercise of inherent jurisdiction under Section 482 of the Code of Criminal Procedure is well settled.
7. It is further a well-settled principle of law that while exercising its inherent jurisdiction under Section 482 of the Code of Criminal Procedure, the High Court ought not to embark upon a meticulous enquiry into the reliability, admissibility, or sufficiency of the evidence collected during investigation.
8. The scope of interference at such stage is inherently limited and is required to be exercised sparingly, with great caution, and only in exceptional circumstances where continuation of the criminal proceeding would amount to an abuse of the process of Court or where no offence is disclosed on the face of the record.



9. In the present case, it is not in dispute that the Petitioner Company has successfully undergone the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016, resulting in a complete change in the management and control of the corporate debtor pursuant to approval of the Resolution Plan. Section 32A of the Insolvency and Bankruptcy Code, 2016 has been enacted with the avowed object of ensuring revival of the corporate debtor by granting it a fresh slate upon takeover by a new and unrelated management. The said provision unequivocally stipulates that where the management and control of the corporate debtor stand transferred to a person who is neither a promoter nor in any manner connected with the erstwhile management responsible for the commission of the offence, the liability of the corporate debtor in respect of offences committed prior to commencement of the CIRP shall cease, and the corporate debtor shall not be subjected to prosecution for such antecedent offences. Thus, upon fulfillment of the statutory requirements contemplated under Section 32A of the IBC, the continuation of criminal proceedings against the corporate debtor in relation to pre-CIRP offences becomes legally impermissible.
10. Section 32A of the Insolvency and Bankruptcy Code, 2016 has been introduced by the legislature with the clear and avowed object of affording a “clean slate” to the corporate debtor upon approval of a Resolution Plan and consequent transfer of management and control to a new and unrelated entity. The underlying legislative intent behind incorporation of the said provision is to facilitate effective revival and



rehabilitation of the corporate debtor by insulating it from the burden of past criminal and penal liabilities attributable to the erstwhile management. The provision contemplates that, once the Corporate Insolvency Resolution Process attains finality and the management of the corporate debtor stands vested in a new dispensation unconnected with the previous promoters or persons in control, the corporate debtor shall stand discharged from prosecution in respect of offences committed prior to commencement of the CIRP. In essence, Section 32A creates a statutory immunity in favour of the corporate debtor so as to ensure that historical liabilities do not frustrate the very object and efficacy of the resolution process envisaged under the Insolvency and Bankruptcy Code, 2016.

11. In the case of *Manish Kumar v. Union of India*⁵ the Apex Court has adjudged that any prior offence committed by the corporate debtor shall cease.

“317. Section 32-A has been divided into three parts consisting of sub-sections (1) to (3). Under sub-section (1), notwithstanding anything contained, either in the Code or in any other law, liability of a corporate debtor, for an offence committed prior to the commencement of the CIRP, shall cease. Further, the corporate debtor shall not be liable to be prosecuted for such an offence. Both these immunities are subject to the following conditions:

317.1. A resolution plan, in regard to the corporate debtor, must be approved by the adjudicating authority under Section 31 of the Code.

317.2. The resolution plan, so approved, must result in the change in the management or control of the corporate debtor.

⁵ (2021) 5 SCC 1



317.3. *The change in the management or control, under the approved resolution plan, must not be in favour of a person, who was a promoter, or in the management and control of the corporate debtor, or in favour of a related party of the corporate debtor.*

317.4. *The change in the management or control of the corporate debtor must not be in favour of a person, with regard to whom the relevant investigating authority has material which leads it to entertain the reason to believe that he had abetted or conspired for the commission of the offence and has submitted or filed a report before the relevant authority or the Court. This last limb may require a little more demystification. The person, who comes to acquire the management and control of the corporate person, must not be a person who has abetted or conspired for the commission of the offence committed by the corporate debtor prior to the commencement of the CIRP. Therefore, abetting or conspiracy by the person, who acquires management and control of the corporate debtor, under a resolution plan, which is approved under Section 31 of the Code and the filing of the report, would remove the protective umbrella or immunity erected by Section 32-A in regard to an offence committed by the corporate debtor before the commencement of the CIRP. To make it even more clear, if either of the conditions, namely, abetting or conspiring followed by the report, which have been mentioned as aforesaid, are present, then, the liability of the corporate debtor, for an offence committed prior to the commencement of the CIRP, will remain unaffected.*

326. *We are of the clear view that no case whatsoever is made out to seek invalidation of Section 32-A. The boundaries of this Court's jurisdiction are clear. The wisdom of the legislation is not open to judicial review. Having regard to the object of the Code, the experience of the working of the Code, the interests of all stakeholders including most importantly the imperative need to attract resolution applicants who would not shy away from offering reasonable and fair value as part of the resolution plan if the legislature thought that immunity be granted to the corporate debtor as also its property, it hardly furnishes a ground for this Court to interfere. The provision is carefully thought out. It is*



not as if the wrongdoers are allowed to get away. They remain liable. The extinguishment of the criminal liability of the corporate debtor is apparently important to the new management to make a clean break with the past and start on a clean slate. We must also not overlook the principle that the impugned provision is part of an economic measure. The reverence courts justifiably hold such laws in cannot but be applicable in the instant case as well. The provision deals with reference to offences committed prior to the commencement of the CIRP. With the admission of the application the management of the corporate debtor passes into the hands of the interim resolution professional and thereafter into the hands of the resolution professional subject undoubtedly to the control by the Committee of Creditors. As far as protection afforded to the property is concerned there is clearly a rationale behind it. Having regard to the object of the statute we hardly see any manifest arbitrariness in the provision.”

- 12.** In another Apex Court case of *P. Mohanraj v. Shah Bros. Ispat (P) Ltd.*⁶, the adjudication that there cannot be continuance of debt when there is a resolution by a new management.

“42. ...If the language of the second proviso is taken to interpret the language of Section 32-A(1) in that the “offence committed” under Section 32-A(1) would not include offences based upon complaints under Section 2(d) CrPC, the width of the language would be cut down and the object of Section 32-A(1) would not be achieved as all prosecutions emanating from private complaints would be excluded. Obviously, Section 32-A(1) cannot be read in this fashion and clearly includes the liability of the corporate debtor for all offences committed prior to the commencement of the corporate insolvency resolution process. Doubtless, a Section 138 proceeding would be included, and would, after the moratorium period comes to an end with a resolution plan by a new management being approved by the adjudicating authority, cease to be an offence qua the corporate debtor.

⁶ (2021) 6 SCC 258



43. ... If, therefore, the expression "prosecution" in the first proviso of Section 32-A(1) refers to criminal proceedings properly so-called either through the medium of a first information report or complaint filed by an investigating authority or complaint and not to quasi-criminal proceedings that are instituted under Sections 138/141 of the Negotiable Instruments Act against the corporate debtor, the object of Section 14(1) IBC gets subserved, as does the object of Section 32-A, which does away with criminal prosecutions in all cases against the corporate debtor, thus absolving the corporate debtor from the same after a new management comes in."

13. In the present case, the allegations forming the subject matter of the impugned complaint under Section 15 of the Environment (Protection) Act, 1986 admittedly relate to the period between the years 2002 and 2009, which is substantially prior to the initiation of the Corporate Insolvency Resolution Process and the subsequent approval of the Resolution Plan in respect of the Petitioner Company. Thus, the alleged contraventions are attributable to the erstwhile management and pertain to a period anterior to the change in management and control brought about pursuant to the CIRP. In such circumstances, continuation of the present criminal proceeding against the corporate debtor would run contrary to the express mandate and legislative object underlying Section 32A of the Insolvency and Bankruptcy Code, 2016.

14. Once the statutory conditions contemplated under the said provision stand satisfied, the corporate debtor becomes entitled to immunity from prosecution in respect of offences allegedly committed prior to commencement of the CIRP. Consequently, this Court is of the



considered view that continuation of the impugned proceeding against the Petitioner Company in relation to such pre-CIRP allegations is legally unsustainable and barred by operation of law.

15. In the Supreme Court case of *T. Barai v. Henry Ah Hoe*⁷, it was held that there are principles of sound reason and common sense to be taken into consideration.

"22. It is only retroactive criminal legislation that is prohibited under Article 20(1). The prohibition contained in Article 20(1) is that no person shall be convicted of any offence except for violation of a law in force at the time of the commission of the act charged as an offence prohibits nor shall he be subjected to a penalty greater than that which might have been inflicted under the law in force at the time of the commission of the offence. It is quite clear that insofar as the Central Amendment Act creates new offences or enhances punishment for a particular type of offence no person can be convicted by such ex post facto law nor can the enhanced punishment prescribed by the amendment be applicable. But insofar as the Central Amendment Act reduces the punishment for an offence punishable under Section 16(1)(a) of the Act, there is no reason why the accused should not have the benefit of such reduced punishment. The rule of beneficial construction requires that even ex post facto law of such a type should be applied to mitigate the rigour of the law. The principle is based both on sound reason and common sense.

24. In Rattan Lal v. State of Punjab [AIR 1965 SC 444: (1964) 7 SCR 676: (1965) 1 SCJ 779: (1965) 1 Cri LJ 360] , the question that fell for consideration was whether an appellate court can extend the benefit of Probation of Offenders Act, 1958 which had come into force after the accused had been convicted of a criminal offence. The Court by majority of 2: 1 answered the question in the affirmative. Subba Rao, J. who delivered a majority opinion, concluded that in considering the question, the rule of beneficial construction required that even ex post facto law of the type

⁷ (1983) 1 SCC 177



involved in that case should be applied to reduce the punishment."

- 16.** This Court is of the considered view that, subsequent to the approval of the Resolution Plan, the erstwhile Board of Directors of the Petitioner Company ceased to hold office and the management and affairs of the Company stood vested in a newly constituted Board of Directors under the control of the successful Resolution Applicant. The materials available on record unequivocally demonstrate that the Petitioner Company has undergone a successful Corporate Insolvency Resolution Process in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, resulting in a complete and substantive change in its control, management and ownership structure.
- 17.** The corporate entity is now being managed by a new dispensation entirely distinct and independent from the erstwhile management against whom the allegations pertain. Such transformation in the corporate structure and management assumes considerable significance while examining the applicability and effect of the statutory protection contemplated under Section 32A of the Insolvency and Bankruptcy Code, 2016.
- 18.** In the aforesaid circumstances, it becomes manifestly clear that any liability arising out of the allegations made in the impugned complaint, which admittedly pertain to the period prior to commencement of the Corporate Insolvency Resolution Process, cannot be fastened upon the present management of the Petitioner Company. Such liabilities, being attributable to the acts and omissions of the erstwhile management, stand extinguished in the eye of law by virtue of the statutory



framework and protective mechanism engrafted under the Insolvency and Bankruptcy Code, 2016, particularly Section 32A thereof.

- 19.** Consequently, continuation of the present criminal proceeding against the Petitioner Company, despite the complete change in management and successful implementation of the Resolution Plan, would be contrary to the legislative mandate and object underlying the Insolvency and Bankruptcy Code, 2016.
- 20.** It is further brought to the notice of this Court that, during the pendency of the present criminal proceeding, the Parliament enacted the Jan Vishwas (Amendment of Provisions) Act, 2023 with the avowed object of decriminalizing certain minor and technical offences, rationalizing penal provisions, and promoting ease of doing business.
- 21.** It is submitted that, pursuant to the aforesaid legislative reform, the offences punishable under Section 15 of the Environment (Protection) Act, 1986 have also been decriminalized with effect from 01.04.2024, whereby the penal consequences involving imprisonment have been substituted with a regime of civil penalties and monetary sanctions. The said legislative development assumes considerable significance while examining the sustainability and continuance of the present criminal prosecution.
- 22.** In view of the subsequent legislative change brought about by the Jan Vishwas (Amendment of Provisions) Act, 2023, coupled with the object and intent underlying such decriminalization, this Court is of the considered opinion that continuation of the present criminal



proceeding under Section 15 of the Environment (Protection) Act, 1986 would no longer subserve the ends of justice.

23. Once the legislature itself has consciously altered the nature of the contravention by removing the element of criminality and substituting the penal consequences with a civil regulatory framework, continuance of the pending criminal prosecution for such alleged infractions would be rendered legally unsustainable. Accordingly, having regard to the changed statutory regime, as well as the facts and circumstances of the present case, this Court is of the considered view that the impugned proceeding is liable to be quashed.

V. CONCLUSION:

24. In view of the foregoing analysis, and upon an anxious, careful, and comprehensive consideration of the material facts, records, and circumstances attendant to the present case, this Court is of the considered opinion that the allegations levelled against the Petitioner, even if taken at their face value and accepted in their entirety, do not warrant continuation of the criminal proceedings, and the same are liable to be quashed in the interest of justice.

25. Accordingly, the CRLMC stands **allowed**.

26. Interim order, if any, passed earlier stands vacated.

(Dr. Sanjeeb K Panigrahi)
Judge

Orissa High Court, Cuttack,
Dated 22nd May, 2026