THE HIGH COURT OF ORISSA AT CUTTACK

CRLMC No.2406 of 2022
CNR No. ODHC010580352022

(In the matter of an application under Section 482 of the Code of Criminal Procedure, 1973)

M/s. Tata Steel Limited ……. ***Petitioner***

-Versus-

State Pollution Control Board, Bhubaneswar, Odisha ……. ***Opp. Party***

For the Petitioner : Mr. Ashok Parija, Senior Advocate

For the Opp. Party : Mr. Bikram Pratap Das, Advocate

CORAM:

THE HONOURABLE SHRI JUSTICE SIBO SANKAR MISHRA

Date of Hearing: 10.09.2026 :: Date of Judgment: 30.09.2026

S.S. Mishra, J. The petitioner, Tata Steel Limited (TSL), successor-in-interest of erstwhile Bhushan Steel Limited (BSL), subsequently known as Tata Steel BSL Limited (TSBSL), has invoked the inherent jurisdiction of this Court under Section 482 of the Code of Criminal Procedure, 1973, seeking quashing of the entire proceedings in Complaint Case No. 2(c) C.C.47 of 2013 pending before the learned

S.D.J.M., Dhenkanal, as well as the order dated 21.11.2013 taking cognizance of the offences qua the petitioner.

2. The impugned complaint was instituted by the State Pollution Control Board, Odisha against erstwhile BSL and three of its then officials, namely, Rahul Sengupta, erstwhile Executive Vice President, Atulya Kumar Verma, erstwhile Chief Operating Officer, and Dr. Ram Mohan Sharma, erstwhile Senior General Manager (Environment). The complaint alleged contravention of the provisions of the Air (Prevention and Control of Pollution) Act, 1981, particularly Sections 21 and 23, with Sections 37 and 39 thereof being invoked against the Petitioner.

3. Heard learned Senior Counsel Mr. Ashok Parija, appearing for the petitioner, and learned Counsel Mr. Bikram Pratap Das, appearing for the opposite party.

4. The principal submission advanced by Learned Senior Counsel on behalf of the petitioner is that, during the pendency of the criminal proceedings, BSL underwent Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016. The Resolution Professional placed the Resolution Plan submitted by TSL

before the NCLT, Principal Bench, New Delhi, and the said plan, having been approved by the Committee of Creditors (CoC) with 99.80% voting share, was subsequently approved by the Adjudicating Authority under Section 31(1) of the IBC on 15.05.2018.

5. It is further submitted that pursuant to the approved Resolution Plan, TSL acquired 72.65% of the equity share capital of erstwhile BSL through its wholly-owned subsidiary, Bamnipal Steel Ltd., resulting in a complete change in the management and control of the corporate debtor. The NCLAT thereafter dismissed the appeals challenging the approval of the Resolution Plan. Subsequently, the name of BSL was changed to Tata Steel BSL Limited, and the Resolution Plan attained finality upon dismissal of the civil appeals before the Hon'ble Supreme Court.

6. Learned Senior Counsel for the petitioner further submitted that Section 32A of the IBC was inserted by the Insolvency and Bankruptcy Code (Amendment) Act, 2020 with retrospective effect from 28.12.2019. According to the petitioner, the said provision provides statutory immunity to a corporate debtor from prosecution for an offence committed prior to the commencement of the CIRP, where the

Resolution Plan has resulted in a change in the management or control of the corporate debtor, subject to the conditions prescribed therein.

7. It is contended that, in the present case, the alleged offences relate to the period when the erstwhile BSL was under its previous management and were committed prior to completion of the CIRP and the change in management on 18.05.2018. Since the petitioner is the successful resolution applicant and successor-in-interest of erstwhile BSL, it is submitted that the criminal liability of the corporate debtor stands extinguished by operation of Section 32A of the IBC. Consequently, the continuation of the impugned criminal proceedings against the petitioner would serve no useful purpose and would amount to an abuse of the process of law.

8. In support of the aforesaid submission, learned Senior Counsel has placed reliance upon the decision of the Hon'ble High Court of Delhi in ***Tata Steel BSL Ltd. and another v. Union of India and another***, ***W.P.(CRL.) No.3037 of 2019***, decided on 16.03.2020, wherein the criminal complaint and the corresponding summoning orders qua the erstwhile BSL were quashed on the ground of statutory immunity under

Section 32A of the IBC. It is, therefore, submitted that, in view of the statutory protection available to the petitioner and the subsequent change in management pursuant to the approved CIRP, the impugned complaint and the order taking cognizance deserve to be quashed qua the petitioner-company.

9. Per contra, Mr. Das, learned counsel appearing for the opposite party, submitted that invocation of the jurisdiction of this Court under Section 482 Cr.P.C. by the petitioner, at this stage, is not permissible in law, as the grounds urged before this Court challenging the order taking cognizance can appropriately be raised before the learned trial Court at the appropriate stage of the proceeding. It was further submitted that, once cognizance has been taken and the proceeding initiated at the instance of the opposite party is pending before the learned trial Court, this Court ought not to interfere at this stage so as to scuttle the on-going proceeding.

10. I have carefully gone through the records and considered the rival submissions made by both the parties at the Bar in the light of the cited provisions of law and the judgments operating the field. It is undisputed that the impugned complaint has been filed by the opposite party against

the erstwhile BSL and its officials under Sections 37 and 39 of the Air (Prevention and Control of Pollution) Act, 1981 (for short, "the Air Act"), alleging contravention of Sections 21 and 23 thereof. Since the erstwhile BSL was declared a Non-Performing Asset (NPA), its banker initiated proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, New Delhi. The learned NCLT appointed an Interim Resolution Professional, pursuant to which a resolution plan dated 03.02.2018 was submitted by the present petitioner-company. The Committee of Creditors (CoC) approved the resolution plan through voting, and thereafter, vide order dated 15.05.2018, the Adjudicating Authority approved the said plan. Pursuant to the approved resolution plan, the present petitioner took over the company under the Scheme. Subsequently, upon amalgamation, the company was renamed as Tata Steel BSL Limited (TSBSL). Clause 8.6.9 of the approved Resolution Plan provides that the petitioner-TSL shall not, in any manner, be implicated in, or be fastened with any liability in respect of, any investigation, proceedings, orders or any matters relating to the erstwhile promoter group (BSL), its holding

companies, subsidiary companies, associate companies and/or group companies. The said clause reads as under:-

> ***"Clause-8.6.9.- Liabilities in relation to Existing Promoter Group**:-*
> *The company (BSL) and/or the Resolution Applicant (TSL) and its affiliates shall not in any manner be implicated in, or in any manner adversely affected by, or have any Liability in relation to, any investigation/proceedings/orders or any matters relating to Existing Promoter Group, holding companies, subsidiary companies, associate companies and/or Group Companies."*

Similarly, Clause 8.2.6 of the approved Resolution Plan provides that the New Management shall not incur any civil or criminal liability for any breach, contravention or non-compliance with any law in respect of the period preceding the approval of the Resolution Plan. The said clause further provides that the directors, key managerial personnel and officers of the Company shall not be fastened with any civil or criminal liability arising out of any such breach, contravention or non-compliance with the applicable law.

11. Besides the aforesaid provisions contained in the Resolution Plan, the statute itself provides protection to the successful resolution applicant and the corporate debtor in respect of offences committed prior to the approval of the resolution plan. In this regard, Section 32-A(1) of the

Insolvency and Bankruptcy Code, 2016 (for short, "the IBC") being relevant is reproduced for the convenience of ready reference:-

> *"32A. (1) Notwithstanding anything to the contrary contained in this Code or any other law for the time being in force, the liability of a corporate debtor for an corporate insolvency resolution process shall cease, and the corporate debtor shall not be prosecuted for such an offence from the date the resolution plan has been approved by the Adjudicating Authority under section 31, if the resolution plan results in the change in the management or control of the corporate debtor to a person who was not -*
> *(a) a promoter or in the management or control of the corporate debtor or a related party of such a person; or*
> *(b) a person with regard to whom the relevant investigating authority has, on the basis of material in its possession, reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court:*
> *Provided that if a prosecution had been instituted during the corporate insolvency resolution process against such corporate debtor, it shall stand discharged from the date of approval of the resolution plan subject to requirements of this sub-section having been fulfilled:*
> *Provided further that every person who was a "designated partner" as defined in clause (j) of section 2 of the Limited Liability Partnership Act, 2008 or any "officer who is in default", as defined in clause (60) of section 2 of the Companies Act, 2013, or was in any manner in-charge of, or responsible to the corporate debtor for the conduct of its business or associated with the corporate debtor in any manner and who was directly or indirectly involved in the commission of such offence as per the report submitted or complaint filed by the investigating authority, shall continue to be liable to be prosecuted, and punished for such an offence committed by the corporate debtor notwithstanding that the corporate debtor's liability has ceased under this sub-section."*

From the express language employed by its legislature in the aforementioned provision that a Corporate Debtor would not be liable for any offence committed prior to the commencement of the CIRP and the corporate debtor would not be prosecuted if a resolution plan has been approved by the Adjudicating Authority. In the present case, it is not in dispute that the resolution plan was approved by the learned NCLT, New Delhi, the Adjudicating Authority, on 22.02.2021, pursuant to which the petitioner company amalgamated with the erstwhile BSL. In view thereof, any civil or criminal liability arising from acts or omissions attributable to the erstwhile BSL cannot be fastened upon the present petitioner-company, subject to the provisions of Section 32-A of the IBC. In the similar situation, Mr. Parija, learned Senior Counsel has rightly relied upon the judgment of the Delhi High Court in ***Tata Steel BSL Ltd. and another v. Union of India and another***, ***W.P.(CRL.) No.3037 of 2019***. The said judgment dated 16.03.2020 passed by the Delhi High Court squarely covers the facts and circumstances of the present case and supports the case of the petitioner. Accordingly, the pending criminal proceeding against the present petitioner and the cognizance order dated 21.11.2023 passed by the learned S.D.J.M.,

Dhenkanal in 2(c)CC No.47 of 2013 stands quashed in so far it relates to the present petitioner is concerned. It is, however, made clear that this Court has not expressed any opinion on the merits of the case insofar as the remaining accused persons, against whom cognizance of the alleged offences has been taken by the learned SDJM, Dhenkanal in the impugned order, are concerned.

12. With this observation, the CRLMC is disposed of.

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(S.S. Mishra)
Judge

The High Court of Orissa, Cuttack
The 30th of September 2026/ Swarna