

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
AT CHENNAI
(APPELLATE JURISDICTION)

Company Appeal (AT) (CH) (Ins) No. 376/2026
(IA Nos. 1075, 1076 & 1077/2026)

In the matter of:

Neeraj Agarwal,
Proprietor, Ambal Agencies **... Appellant**

Vs

S. Arun,
Suspended Director of Sargam Metals Pvt Ltd
& Anr. **... Respondents**

Present :

For Appellant : Mr. Sankaranarayanan, Senior Advocate
For Mr. Manoharan S, Advocate
For Respondent : Mr. Nithyaesh Natraj, Mr. Vaibhav R & Mr. Venkatesh
For Mr. Anirudh A Sriram, Advocates for R1

With

Company Appeal (AT) (CH) (Ins) No. 377/2026
(IA Nos. 1078 & 1079/2026)

In the matter of:

S. Arun,
Suspended Director of Sargam Metals Pvt Ltd **... Appellant**

Vs

KJ Vinod,
IRP of Sargam Metals Pvt Ltd & 2 Ors. **... Respondents**

Present :

For Appellant : Mr. Nithyaesh Natraj, Mr. Vaibhav R & Mr. Venkatesh
For Mr. Anirudh A Sriram, Advocates for R1
For Respondents : Mr. F. Raymond Albyness, Advocate
for Financial Creditor

ORDER
(Hybrid Mode)

04.08.2026: This appeal, it may be said that in an out of the ordinary kind of appeal, preferred by an operational creditor of the corporate debtor who was initially responsible for drawing the corporate debtor into CIRP, now battling for its withdrawal.

2. According to the appellant, he is an operational creditor and has laid a petition under Section 9 IBC sometime in November 2024, and that came to be admitted in December 2024, challenging which order the suspended director of the corporate debtor moved this Tribunal in appeal wherein this Tribunal passed an order staying the operation of the order of admission.

3. Eventually, on 21.04.2026 this Tribunal dismissed the appeal, but that order is stated to have been uploaded only on 19.05.2026. The drama starts now. A few days before the order was uploaded, on 15.05.2026. The appellant and the corporate debtor arrived at a settlement. Very unfortunately for them, on 22.05.2026, Section 12A as amended was notified and it came into force on 26.05.2026. The amended Section 12A mandates that there could be no withdrawal or settlement without the constitution of CoC and the CoC recommending withdrawal or settlement with 90% voting in favour of withdrawal.

4. The case now travels to the legal plane. Apparently, the settlement has taken place on 15.05.2026 before Section 12A as amended came into force. However, the relevant regulation, namely Regulation 30A, which was also

amended, came into force only on 02.06.2026. So far as the settlement which the appellant and the suspended director of the corporate debtor have entered into is concerned, it needs to be legalised, and they moved the 2nd respondent, the resolution professional. The resolution professional received it, but he was apprehensive that possibly may have to be worked under the amended Section 12A.

5. In these circumstances, the appellant herein moved the learned Adjudicating Authority with the IA No. 954/2026 for withdrawal of CIRP. This came to be dismissed vide the impugned order as the learned Adjudicating Authority adopted substantially same line of reasoning as the resolution professional, as it too felt that this has to be worked out under amended Section 12A and Regulation 30A.

6. Heard Mr. R. Shankaranarayanan, the learned senior counsel for the appellant. The learned counsel submitted that, very evidently the resolution professional has received the request, received the fees for moving the application under Section 12A well before the amendment of Section 12A or Regulation 30A were notified. And hence, the law that was prior to the coming into force of these amendments alone needs to be looked into. He added that the IBC, (Amendment) Act 6 of 2026 has indicated which of the amendments are clarificatory in nature and what may have retrospective effect. So far as Section 12A goes, it neither clarifies nor makes it retrospective vis-a-vis issues of Section 12A that are

pending prior to coming into force of Section 12A. The learned counsel added that in the fitness of things, both the resolution professional as well as the learned Adjudicating Authority ought to have considered the plea on the basis of unamended Section 12A and Regulation 30A.

7. Company Appeal (AT) (CH) (Ins) No. 377/2026 is filed by the suspended director of the corporate debtor. The 2nd respondent, the resolution professional has addressed the bank to suspend the debit transactions, as a result of which the affairs of the corporate debtor is now in limbo. And the appellant in this appeal battled ably alongside the appellant with his operational creditor.

8. Advocate Mr. Varun Srinivasan, takes notice for the 2nd respondent, the resolution professional, and he submitted that even though the CIRP had commenced in December 2024, by the successive orders of this Tribunal and other development which the appellant has narrated, he is yet to take charge of the affairs of the corporate debtor and he is yet to gather information on the assets and liabilities and the corporate debtor even though.

9. The resolution professional also added that, so far as he is concerned, to the extent he has gathered information, other than the appellant in Company Appeal (AT) (CH) (Ins) No. 376/2026. There is one more operational creditor in the Income Tax Department. Apart from this, there is another financial creditor who has preferred a claim, whose claim has been partly accepted.

10. We need greater insight on the facts of the case. The resolution professional is therefore required to file his status report. We now pass a limited interim order, staying the constitution of the CoC. We further direct the appellant in Company Appeal (AT) (CH) (Ins) No. 377/2026 to share all the details of assets and liabilities to the 2nd respondent, resolution professional.

11. The learned counsel for the suspended director submits that monthly salary payable to the employee may be necessary and to that limited extent the resolution professional may relax the notice to the bank to stop debit transactions. The suspended director is now required to approach the resolution professional for the same.

12. List these appeals on **19.08.2026** under the same caption.

[Justice N. Seshasayee]
Member (Judicial)

[Jatindranath Swain]
Member (Technical)

SN/MS/AK