

NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT III

Item No. 101

IA (I.B.C) 2127 (MB)/2026, I.A. 2863/2023, I.A. 768/2025

In

C.P. (IB) 2915(MB)/2019

CORAM: MS. LAKSHMI GURUNG, MEMBER (J)
SH. HARIHARAN NEELAKANTA IYER, MEMBER (T)

ORDER SHEET OF THE HEARING ON **11.06.2026**
(HEARING THROUGH: HYBRID MODE)

NAME OF THE PARTIES: Finquest Financial Solutions Private Limited

Vs.

Ballarpur Industries Limited.

Appearance

For Applicant : Adv. Shyam Kapadia a/w Adv Rishabh Chandra a/w
Adv. Neel Mehta, Adv. Kaustubh Prakash, Adv. Hita Sharma
i/b Vaish Associates Advocates in I.A. 2127/2026

Adv. Rishabh Chandra i/b Vaish Associates Advocates
in I.A 2863/2023

Adv. Maher Rai in I.A. 768/2025

For Respondent : Sr. Adv. Ashish S. Kamat a/w Adv. Amir Arsiwala,
a/w Adv. Saloni Kapadia, Adv. Karan Gandhi a/w
Adv. Atharva Patvardhan i/b Cryril Amarchand
Mangaldas for R-1, R-2, R-4 to R-7, R-9 to 11 & R-13 in
I.A. 2127/2026

Adv. Rishabh Chandra i/b Vaish Associates Advocates in
I.A. 768/2025 for R-2

SECTION 7 OF THE IBC, 2016

ORDER

IA (I.B.C) 2127 (MB)/2026

1. This application has been filed by the Applicant (SRA) of the Corporate Debtor seeking *inter alia* following interim relief:

d. Pending the hearing and disposal of the present Application, the Applicants be permitted to deposit INR 14,65,97,470.90 in a no lien fixed deposit account with ICICI Bank carrying interest at applicable rates and to treat such deposit as valid and sufficient compliance with Applicants' obligations under Clause 4.6.2.2 of the Resolution Plan towards redemption of the said NCDs.

2. Ld. Counsel for the Applicant has referred to the Hon'ble NCLAT order dated 01.07.2024 wherein the Hon'ble NCLAT has, inter-alia, held as follows:

"24. In view of the foregoing discussion we are of the view that Clause 1 (vii) of the Clarificatory Note clearly contemplate payment of Provident Fund and Gratuity dues which have to be paid as per priority as contemplated in Clause 1 (vii), as extracted above. Thus, the payment of Provident Fund and Gratuity has to be paid as per the Resolution Plan read with Clarificatory Note Clause 1 (vii) and we do not accept the submission of counsel for the CoC that amount of Provident Fund and Gratuity dues has to be borne by the Successful Resolution Applicant independent of Resolution Plan read with Clarificatory Note.

30. In result of the foregoing discussion and our conclusions, we dispose of this appeal in following manner:

...

(ii) The Resolution Plan read with Clarificatory Note Clause 1 (vii) contemplate payment of Provident Fund dues and Gratuity dues which was computed by the Resolution Professional as Provident Fund dues of Rs.11.49 Crores + Gratuity dues of Rs.8.84 Crores, totalling to Rs.20.33 Crores (for Shree Gopal Unit), which is to be paid as per the priority mentioned in Clause 1 (vii) of the Clarificatory Note."

3. It is further submitted by Ld. Counsel for the Applicant that in view of the order passed by Hon'ble NCLAT, the dues of the employees towards PF and Gratuity have to be paid from the financial outlay allocated to the financial creditors. It was further submitted that since the dissenting creditors are getting the liquidation value, any recovery from them shall be below the liquidation value, therefore, the entire amount of Rs. 20.33 crores shall be recovered from the assenting financial creditors only.

4. Rebutting the above submission, Mr. Ashish S. Kamat, Ld. Sr. Counsel for the Respondent No. 1 has taken us through the list of the dates and pointed out that the order of Hon'ble NCLAT mentions about PF and Gratuity dues aggregating to Rs. 20.33 crores which was admitted by the RP in his own affidavit. Any additional liability payable to the employees voluntarily on account of the settlement with the employees, should not be the liability of the financial creditors and was not the intent of the resolution plan. If the present application in entirety is allowed then it will amount to the modification of the resolution plan approved by the CoC and the Adjudicating Authority.
5. He also referred to the clarificatory note in which the additional amount has to be borne by all the financial creditors and not limited to the assenting financial creditors. He further referred to the Hon'ble Supreme Court order in Civil Appeal, Diary No. 39025 of 2025 filed by Axis Bank (R-15 in the present IA) wherein the Applicant (SRA) has voluntarily agreed that they will not recover amount from the dissenting financial creditors. Therefore, it is submitted that any additional liability which has been voluntarily agreed to be borne by the Applicant should not be transferred as a liability of the assenting financial creditors and that the respondents have no objection if order of Hon'ble NCLAT pertaining to the PF and Gratuity liability aggregating to Rs. 20.33 crores be complied with but no additional liability be recovered.
6. At this stage, we are not adjudicating the rival contentions of the parties. However, we have to give effect in entirety in letter and spirit to the order of the Hon'ble NCLAT dated 01.07.2024 wherein an amount of Rs. 20.33 crores towards the PF and Gratuity dues of the employees have to be borne by the financial creditors.
7. In the present application, the applicant is seeking redemption of debentures after retaining some amount to be kept in a no lien fixed account with ICICI Bank carrying interest at applicable rates. It is

submitted that the redemption of debentures is immediately due to following four parties and as per the claims of the parties admitted by the RP their voting shares are as follows:

Sr. No.	Parties Name	Voting Share of CoC
1	IDBI Bank	26.78%
2	LIC	3.94%
3	Suraksha Asset Reconstruction Ltd.	14.58%
4	Finquest Financial Solutions Private Limited	5.50%

8. Having considered the entire facts of the case and having considered the submissions of the parties, we are of the view that no prejudice will be caused and the cause of the justice would be served, if direction is issued to the Applicant to redeem the debentures after deducting an amount which is recoverable from the financial creditors in proportion to Rs. 20.33 crores (as mentioned by the Hon'ble NCLAT in its order) against their voting share. We further clarify that the amount may not be deducted from those who have already paid, albeit under protest.
9. Meanwhile Ld. Counsel for R1 and R2, Mr. Amir Arsiwala, submitted that the amount to be deducted from LIC and IDBI Bank could be kept in an interest-bearing Fixed Deposit account with IDBI Bank, with maximum rate of interest, which found no objection from the counsel for the Applicant. Accordingly, the amount so deducted by the Applicant from the redemption of the debentures is directed to be deposited with IDBI Bank in a no lien account at the maximum rate of interest which IDBI is offering to senior citizens as offered by Ld. counsel for Respondent No. 1. Applicant to abide by the above directions.
10. In the meantime, respondents to file reply within **four weeks**. Rejoinder, if any, be filed within **two weeks** thereafter.
11. List this matter for further consideration on **20.07.2026**.

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List these matters on **20.07.2026**.

Sd/-
HARIHARAN NEELAKANTA IYER
Member (Technical)
---Azad---

Sd/-
LAKSHMI GURUNG
Member (Judicial)