

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, COURT-I**

**CP (IB)/627 (MB)/2024**

Under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016  
*In the matter of*

**Ritwik Finance Enterprises Private Limited**

[CIN:U70101WB1987PTC043367]

**...Financial Creditor/Applicant**

**Versus**

**Grenesiis Constro Pvt. Ltd.**

[CIN : U70109PN2006PTC129033]

**...Corporate Debtor/Respondent**

**Order Pronounced on 08.07.2025**

***Coram:***

Hon'ble Member (Judicial) : Justice V. G. Bisht (Retd.)  
Hon'ble Member (Technical) : Sh. Prabhat Kumar

***Appearances:***

For the Financial Creditor : Mr. Shyam Kapadia a/w  
Ms. Akansha Ware i/b Mr.  
Animesh Khandelwal, Ld.  
Counsel

For the Corporate Debtor : Mr. Nausher Kohli a/w Ms. Vaishnavi Mane a/w Mr. Sushant Chavan, Ld. Counsel

## ORDER

### Brief Facts:

1. This Company Petition is filed under section 7 of the Insolvency and Bankruptcy Code, 2016 (**IBC**) by **Ritwik Finance Enterprises Private Limited** ("hereinafter referred to as the Financial Creditor/Applicant"), seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **Grenesiis Constro Pvt. Ltd.** (hereinafter referred to as the "Corporate Debtor/Respondent").
2. The Applicant is a non-banking financial company registered under the Companies Act, 1956 having CIN U70101WB1987PTC043367, incorporated on 30.11.1987 having address at 33, C.R. Avenue 9th Floor Room No. 903 Kolkata (West Bengal) 700012 and also at F. No.-504, 5th Floor Sdc Ashok Millborn D-38, Subhash Marg, C- Scheme Jaipur 302001 (Rajasthan). It is engaged in the business of providing financial assistance to prospective customer.
3. The Respondent is incorporated under the Companies Act, 1956 on 11.09.2006 bearing CIN U70109PN2006PTC129033 with its registered address at A-501, Thacker's House, 2418, East Street G T Road, Camp, Pune (Maharashtra) 411001. It is a Limited Company having authorized share capital and Paid up share Capital of Rs. 20,00,000/-. It is engaged in the business of construction, development, purchase and sale of Real Estate property mainly in and around Pune.
4. The total amount of default as stated in Part IV of the Application is Rs. 1,16,56,467/- (Rupees One Crore Sixteen Lakh Fifty Six Thousand Four

Hundred and Sixty Seven Only) as on 30.09.2023, and the date of default is stated to be 01.04.2022 in the NESL report. In Part IV.2 of the Application, it is stated that “Under sanction letter dated 03 October 2020 an amount of INR 1,16,56,467 (Rupees One Crore Sixteen Lakh Fifty Six Thousand Four Hundred and Sixty Seven Only) as on 30 September 2023 is due and outstanding inclusive of principal overdue, interest due, outstanding TDS and penal charges on part of corporate debtor”. The date of filing of the present petition is 11.12.2023.

**Submissions of the Applicant:**

5. In the year 2020, the Corporate Debtor along with Mrs. Nisha Pramod Korgaonkar and Mr. Arinjay Pramod Korgaonkar as co-borrowers had approached the Financial Creditor for seeking business loan facilities in the form of secure term loans by mortgaging property in favor of the Financial Creditor.
6. That in pursuance of such request, the Financial Creditor provided loan facilities aggregating to INR 60,00,000/- (Rupees Sixty Lakhs Only) vide sanction letter dated 03.10.2020 (hereinafter referred to as the “said sanction letter”).
7. In lieu of the financial facility provided by the financial creditor and to secure the said Loan facility, the Corporate Debtor mortgaged the following properties in favor of the Financial Creditor by deposit of title deed.

Sr. no.	Finance Facility	Amount due	Mortgaged Property
1.	Sanction Letter dated 03 October 2020	INR 1,16,56,467 (Rupees One Crore Sixteen Lakh Fifty Six Thousand Four Hundred and Sixty Seven only)	a. Commercial Unit - Shop/Office unit bearing No. 103 at First Floor of Grand Horizon admeasuring 46.656 Sq. Mtrs. together with inbuilt Loft admeasures 23.32 sq. mtrs. situated at land admeasuring 1 H. 0.25 R. out of survey No. 39/1A+

			39/2/5/1 and 00 H. 0.95 R. out of survey No. 34/1/4 i.e., totally admeasuring 01 H. 1.20 R. (i.e., 10120sq.mtrs.) at budgaon budruk within the limits of Registration subdistrict of Taluka Haveli, District Pune.
Total	INR 1,16,56,467 (Rupees One Crore Sixteen Lakh Fifty Six Thousand Four Hundred and Sixty Seven Only)		

8. In pursuance of the credit facilities provided to the Respondent, both parties have entered into a Mortgage Deed dated 10.11.2020 with respect to certain properties to secure the loan amounts which was executed more than a month after disbursal of loan amount. Additionally, the Respondent has also continued to pay interest amounts to the Applicant on the loan facilities in January 2021, June 2021, August 2021 and March 2022, which is evidenced by the ledger of Respondent maintained by the Applicant.
9. Pursuant thereto, after availing the loan facilities the Corporate Debtor failed to adhere to the repayment schedule and violated the terms of the sanction letter executed between parties. Hence, a demand notice dated 30.09.2023 (hereinafter referred to as "Demand Notice") was issued by the Financial Creditor for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor under Section 7 of the IB Code, 2016 (IBC). Despite the issuance of Demand Notice, the due amount was not discharged by the Corporate Debtor. Hence the present petition.
10. Vide its additional affidavit dated 18.03.2025, the Applicant has submitted that M/s Grenesiis Land and Leisure Private Limited (sister concern of the Respondent) has entered into a loan agreement with Applicant on 21.05.2015 through which Applicant extended a loan facility of INR 4.5 Crores to M/s Grenesiis Land and Leisure Private Limited. Additionally, the said loan was also secured by creation of charge on certain properties of the Corporate Debtor in favour of the Applicant. M/s Grenesiis Land and

Leisure Private Limited maintained a running account of payments made to the Applicant with respect to the loan and interest amounts and has also provided confirmation of accounts dated 01.04.2022 regarding the amounts which are due to be paid to Applicant. The Applicant has placed on record the ledgers of M/s Grenesiis Land and Leisure Private Limited maintained by it for the periods 01.04.2012 to 31.03.2018 and 01.04.2018 to 31.03.2022 to counter the argument of Corporate Debtor that the said loan transaction was in nature of circular transactions.

**Submissions of the Respondent:**

The Respondent has contested the present application on the following grounds:

11. The Respondent has paid the entire principal amount i.e. Rs. 60 Lakhs to the Applicant along with interest of Rs. 18,64,358/- through its sister concern i.e. M/s Grenesiis Land and Leisure Private Limited and as such there is no due amount to be paid by the Respondent as on date.
12. The said sanction letter was a mere formality and the Applicant has waived the same on various occasions while dealing with the Respondent.
13. As per the condition stipulated in the said sanction letter, the principal repayment was not allowed for first 6 months. However, the Applicant accepted the principal amount of Rs. 60 lakhs on 03.10.2020 from sister concern of the Respondent. The said amount was transferred in two tranches from the account of the Respondent to the account of one of its Director Ms. Nisha Korgaonkar who immediately transferred the said amount to M/s Grenesiis Land and Leisure Private Limited, which is one of the sister concerns of the Respondent. The said M/s Grenesiis Land and Leisure Private Limited ultimately transferred the said amount to the Applicant. Similar procedure was followed for both the tranches of payment of Rs. 30 Lakhs each on 03.10.2020.

14. The calculation of interest is not as per the terms and conditions of the said sanction letter. Penal interest should have been calculated at the rate of 36% per annum, however, in the petition, the Applicant has calculated the interest of 20% on compounding basis which is clearly in violation of the terms of the sanction letter. Imposition of such interest is in violation of guidelines issued by the Reserve Bank of India (RBI) which are applicable to all the Non-Banking Financial Companies (NBFC's).
15. An amount of Rs. 18,64,358/- was transferred by one Arihant Infra Pvt. Ltd, which is a sister concern of Applicant, to the account of Mr. Arinjay Korgaonkar who is one of the Director of the Respondent, who further transferred the same through various transactions to Grenesiis Constro Pvt. Ltd., which in turn paid the same to the Respondent showing the same as amount paid towards interest.
16. The Directors of the Respondent shared amicable relations with the Directors of the Applicant since past several years, as the Applicant had invested in different projects of the Respondent as well in its sister company. Mr. Sunit Kamavat and Mr. Vikram Kamavat who are Directors of the Applicant were personally known to the original promoter of Respondent i.e. late Mr. Pramod Korgaonkar who expired on 03.08.2017 after which his son Mr. Arinjay Korgaonkar alongwith his mother was compelled to handle the entire affairs of the Respondent. Mr. Arinjay Korgaonkar trusted the said Mr. Sunit Kamavat and Mr. Vikram Kamavat blindly and also sought their guidance in the affairs of the Respondent who manipulated Mr. Arinjay Korgaonkar to enter into transaction which were solely beneficial to the Applicant.
17. Somewhere in 2020 the Directors of Respondent approached Mr. Arinjay Korgaonkar informing him that their company was in financial trouble and thus they came up with a proposal wherein they would be transferring an amount of Rs. 60 lakhs under the guise of loan / credit facility through their

NBFC to the Respondent on the condition that the said amount will be retransferred to the Applicant on the same day immediately, through the sister concern of Respondent. Mr. Arinjay Korgaonkar agreed to the said proposal with an intention to help the Directors of the Applicant, considering the close relations. The Respondent on instructions from Applicant, was transferring the amounts received from the Applicant under different heads through their sister concern.

18. In order to pressurize the Respondent, the Applicant filed a false case under Section 138 of Negotiable Instruments Act, 1881 against the Directors and employees of the Respondent. The Applicant used certain cheques which were in their custody and given to them in good faith by the Directors of Respondent to file the abovementioned cases. The directors of Applicant filed a false FIR against all the Directors of the Respondent as well as family members of the Directors of the company, including the office staff of the Respondent on 5<sup>th</sup> May 2023.
19. The said credit facility was nothing but merely circular transactions entered into by the parties wherein the Applicant has used the Respondent as well as its sister concern to circulate their own funds.
20. The alleged credit facility as per the said sanction letter was granted for one year only, however, monies were transferred in between the parties for more than two years from the date of sanction letter. Hence, the transactions were done by the parties on mutual understanding and in complete variance of the terms and conditions to the alleged sanction letter.
21. The Respondent has relied upon the decision given in *Phoenix ARC Private Limited Vs. Spade Financial Services Limited* wherein the Hon'ble Supreme Court has held that the existence of disbursement against consideration for time value of money is an essential requirement even for transactions covered under clause (a) to (i) of section 5(8) of IBC defining financial debt. Though the Applicant has relied on the Sanction letter dated 3rd October

2020 to prove its existence of debt on Respondent company, it can be clearly seen how the Applicant has waived all the terms and conditions of the said sanction letter. In fact, the alleged amount due shown in the present company petition, is also not calculated on the basis of interest rates mentioned in the said letter.

22. Further, this bench while deciding *Company Petition No. 439 of 2024* between *Sneh Real Mart Private Limited & Anr V/s Grenesiis Land and Leisure Private Ltd*, i.e the sister concerns of the present parties has dealt with similar facts and while dismissing the said petition held that the accounting entries does not determine the true character of the transactions, which is required to be ascertained from the substance of understanding between parties. The said Order has been challenged in the NCLAT.

**Analysis & Findings:**

23. Heard learned counsel for both the parties and perused the material produced on record.
24. The existence of a debt due from Corporate Debtor to the Applicant is not in dispute in the present case, however, it has been claimed that the said debt was merely a circular transaction whereby the money advanced to the Corporate Debtor was paid through the sister concern of the Corporate Debtor i.e. Grenesiis Land and Leisure Pvt Ltd. On perusal of the Ledger account in the name of said sister concern in the books of Applicant it is noted that said sister concern had obtained a loan of Rs.4.5 Crores from the Applicant in May/June 2015 and a sum of Rs. 6,59,42,225.00 was due from it to the Applicant as on 31.03.2020. The amount of Rs. 60 Lakhs paid in first week of October 2020 in 4 tranches has been credited to the loan account of said Associate Company thereby reducing its outstanding due to the Applicant. Accordingly, it cannot be said that the said amount of Rs. 60 lakhs was paid towards repayment of loan taken by the Corporate Debtor herein from the Applicant.

25. The Corporate Debtor has not disputed the receipt of amounts from the Applicant, but has disputed the nature of transaction alleging it to be a circular transaction. The Corporate Debtor has admitted in its reply that it was in a financial trouble in 2020, accordingly, the Applicant had agreed to advance said money to it with a precondition that the said money shall be routed back to the Applicant through its associate company, who already was a creditor of the Applicant as noted in the preceding para. From the flow of money, it is noted that the amount received by the Corporate Debtor was transferred to the accounts of its directors who transferred the said money to the sister concern and therefrom the money went back to the Applicant. As noted in the preceding para, the said sister concern was already a creditor of the Applicant and such money paid by such sister concern stood appropriated towards the loan outstanding from it in the books of the Applicant. This clearly shows that the Corporate Debtor had utilized the proceeds of loan taken from the Applicant to mitigate the obligations of its sister concern, though such loan was obtained for Business Use as seen from the sanction letter. The contention of the Corporate Debtor that the financial creditor was in financial trouble and had accordingly accepted the proposal of the Applicant to route money in the manner it was routed is contradictory to story of financial trouble because if such routing was in nature of a circular transaction, it does not in any manner mitigate applicant's financial trouble, though it may have resulted into avoiding slippage of loan due from sister concern if any.
26. The Applicant has relied upon the decision given by NCLAT in *Union of India Vs. Infrastructure Leasing and Financial Services Ltd. & Ors., Company Appeal (AT) (Ins) No. 346 of 2018*, judgment dated 16.01.2025, wherein it was held that that collapse of agreements between Original Lender, Third Party Borrowers and Final Borrower can only be undertaken if there is mutual agreement between the parties. However, in the present matter, there is no such mutual agreement and the loan agreement between

Applicant and M/s Grenesiis Land and Leisure Private Limited as well as Applicant and Corporate Debtor are two separate agreements with no inter-relation. Accordingly, the repayments with respect to both agreements must be looked into in different lights and the arguments of circular transaction and repayment made by sister concern of Corporate Debtor is untenable.

27. Vide its additional affidavit dated 18.03.2025, the Applicant has placed on record loan agreement dated 21.05.2015 through which Applicant has extended a loan facility of INR 4.5 Crores to M/s Grenesiis Land and Leisure Private Limited. The Applicant has also placed on record confirmation of accounts dated 01.04.2022 provided by M/s Grenesiis Land and Leisure Private Limited regarding the amounts which are due to be paid to Applicant. Upon perusal of the above-mentioned documents, it is clear that the transactions of the Applicant with M/s Grenesiis Land and Leisure Private Limited were independent of the transactions of the Applicant with the Respondent herein.
28. The Applicant has placed on record the ledgers of M/s Grenesiis Land and Leisure Private Limited maintained by it for the periods 01.04.2012 to 31.03.2018 and 01.04.2018 to 31.03.2022. Hence, the said transactions are not circular transactions as claimed by the Respondent. Further, the payment of interest amounts in January 2021, June 2021, August 2021 and March 2022, by the Respondent is clearly an acknowledgement of debt.
29. Further, there is no document produced on record by the Respondent which proves there is an implicit waiver of the terms and conditions of the said sanction letter. Accordingly, in our considered view, there exists a debt exceeding Rs. 1 Crore and there is a default in repayment thereof.
30. Having said so, it pertinent to take note of an email communication dated 17.06.2025 from the Counsel of Corporate Debtor to the Counsel of the Applicant enclosing thereto a demand draft dated 17.06.2025 of Rs.1,16,56,467/- issued in favour of the Applicant by ICICI Bank, Jaipur

branch and informing that the amount of said demand draft settles their alleged claim against the Respondent towards full and final amount. The original copy of the said demand draft was also produced before this tribunal on 18.06.2025 when this matter was reserved for orders. The counsel for Applicant refused to accept the said demand draft towards full and final settlement of their claim in the application stating that they are also entitled to the interest accrued on such amount from 01.10.2023 in addition to the amount claimed in the Application.

31. It is pertinent to note that Part IV.2 of the Application only states that “*As such the total amount of debt as on 30 September 2023 is INR 1,16,56,467 (Rupees One Crore Sixteen Lakh Fifty Six Thousand Four Hundred and Sixty Seven Only) on part of Corporate Debtor*” and the Form A has not made any claim for the obligations arising after 30.09.2023. The present offer of the Corporate Debtor discharges the full amount claimed as due and in default in the present application. The object and intent of the Code is to resolve the Corporate Debtor and the provisions thereof are not meant for recovery of debt. Accordingly, we are of the considered view that the present application appears to be in nature of recover proceedings and does not intend the resolution of the Corporate Debtor’s financial stress. Accordingly, we consider it appropriate to dismiss this Application in view of proposal of the Respondent Corporate Debtor to deliver the said demand draft to the Applicant in terms of its email dated 17.06.2025 as such demand draft settles the amount of principal and interest claimed in this application in full.
32. In view of the above, we are of considered view, the Petition bearing CP (IB) 627/MB/2024 filed by **Ritwik Finance Enterprises Private Limited** [CIN:U70101WB1987PTC043367], the Financial Creditor, under section 7 of the IBC read with rule 6(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against **Grenesiis Constro Pvt. Ltd**

[CIN:U70109PN2006PTC129033]the Corporate Debtor, is **dismissed/rejected**.

33. IRP is directed to send a copy of this Order to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court **within seven days** from the date of receipt of a copy of this order.

34. Ordered accordingly.

Sd/-  
**Prabhat Kumar**  
Member (Technical)  
MK

Sd/-  
**Justice V. G. Bisht (Retd.)**  
Member (Judicial)