

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**DIVISION BENCH**  
**COURT - 1**



ITEM No.302

IA/987(AHM)2024 in C.P.(IB)/123(AHM)2022

**Order under Section 43, 44 & 60(5) of IBC**

**IN THE MATTER OF:**

Vinod Tarachand Agrawal RP of M/s jay Formulations Ltd  
V/s

.....Applicant

Rakshit Ashwinbhai Patel & Ors

.....Respondent

**Order delivered on: 29/04/2025**

**Coram:**

Mr. Shammi Khan, Hon'ble Member(J)

Mr. Sanjeev Kumar Sharma, Hon'ble Member(T)

**ORDER**  
**(Hybrid Mode)**

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

-sd-

**SANJEEV KUMAR SHARMA**  
**MEMBER (TECHNICAL)**

-sd-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH, COURT- I, AHMEDABAD**



**IA/987(AHM)2024  
IN  
C.P.(IB)/123(AHM)2022**

*[An application under Section 43, 44, and 60(5) of the Insolvency and Bankruptcy Code, 2016 r.w. Rule 11 of NCLT Rules, 2016]*

**In the matter of: Jay Formulations Limited.**

**Vinod Tarachand Agrawal,**

Resolution Professional of Jay Formulation Ltd.,  
Reg. No. IBBI/IPA-001/P00641/2017-18/11090  
Having an office at:  
204, Wall Street-1, Near Gujarat College,  
Ellisbridge, Ahmedabad-380006.

**.... Applicant/RP**

**VERSUS**

**1. Rakshit Ashwinbhai Patel**

(Suspended Director of Jay Formulations Limited)  
Having his residence at  
B-74 Orchidwood, Opp. Vodafone,  
Corporate Road, Prahladnagar,  
Ahmedabad – 380015

Also having an address at  
C-6 Mayur Pankh Society,  
Nr. Umiya Vijay Bus Stop,  
Satellite Road, Ahmedabad-380015.

**2. Mrs. Komal Rakshit Patel**

(Suspended Director of Jay Formulations Limited)



Having her residence at  
B-74 Orchidwood, Opp. Vodafone,  
Corporate Road, Prahladnagar,  
Ahmedabad – 380015

Also having address at  
C-6 Mayur Pankh Society,  
Nr. Umiya Vijay Bus Stop,  
Satellite Road, Ahmedabad – 380015

**3. Aarjav Maheshbhai Patel**

(Suspended Director of Jay Formulations Limited)

Having his residence at  
B-74 Orchidwood, Opp. Vodafone,  
Corporate Road, Prahladnagar,  
Ahmedabad – 380015.

Also having address at:  
C-6 Mayur Pankh Society, Nr. Umiya Vijay Bus Stop,  
Satellite Road, Ahmedabad – 380015.

- 4. M/s JFL Life Sciences Limited**  
309, Satyam Mall, Opp.  
Saman Complex,  
Nr. Vishweshwar Mahadev Mandir,  
Satellite, Ahmedabad, Gujarat,  
India 380015.

.... Respondents

**Order Pronounced On: 29.04.2025**

**C O R A M:**

**SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)**

**SH. SANJEEV KUMAR SHARMA, HON'BLE MEMBER (TECHNICAL)**



**APPEARANCE:**

For the Applicant/RP : Mr. Saurabh Rachchh Adv. a.w.  
Mr. Vinod Agarwal RP in Person

For the Respondents : None for R-1 to R-3  
: Mr. Prateek Thakkar Adv. R-4.

**ORDER**  
**[Per: Bench]**

1. The is an application being IA/987(AHM)2024 filed on 22.06.2024 by the Applicant/Resolution Professional of Jay Formulations Ltd., under Sections 43, 44 and 60(5) of the Insolvency and Bankruptcy Code, 2016 (for short “Code”) read with Rule 11 of the NCLT Rules, 2016 seeking the following prayers: -

- 1) Your Lordship may be pleased to allow the present application.
- 2) Your Lordship may kindly order and declare the impugned transaction i.e. transaction set out as entered between the Corporate Debtor and the Respondents, constitutes a preferential transaction under section 43 of the Insolvency and Bankruptcy Code, 2016.
- 3) Your Lordship may kindly declare the impugned transactions entered into between the Corporate Debtor and the Respondents as being null and void.
- 4) Your Lordship may kindly pass an order for another



relief, including appropriate orders under section 44 of the Insolvency and Bankruptcy Code, 2016.’

- 5) Your Lordship may be pleased to grant any other relief as may be deemed fit in the interest of justice.

2. In support of the application, it is stated that: -

- i) Jay Formulations Limited – Corporate Debtor under CIRP is a company having registered address at 13, 1<sup>st</sup> Floor, Hari-Krishna Complex, Behind City Gold, Ashram Road, Ahmedabad-380009.
- ii) An application was filed under Section 7 of the Code by State Bank of India vide CP(IB) No. 123 of 2022 which was allowed by the order of this Adjudicating Authority dated 26.09.2023. The applicant was appointed as Interim Resolution Professional (for short “**IRP**”) and, thereafter, he was appointed as Resolution Professional (for short “**RP**”) for carrying out the whole Corporate Insolvency Resolution Process.
- iii) On 28.09.2023, the applicant carried out the Public Announcement in Form A for attention of all creditors of the Corporate Debtor i.e., Jay Formulations Ltd.
- iv) The applicant came to know that the suspended



management had an account in the Sarvoday Commercial Cooperative Bank Ltd., and, hence, received on 26.10.2023. Thereafter, on 20.11.2023 the applicant issued the Expression of Interest (for short “**EoI**”) in Form.

- v) Even after taking the handover of the premises of the Corporate Debtor (now suspended management), the applicant had no information available with him of the Corporate Debtor. Hence, on 24.11.2023 the applicant filed an Interlocutory Application before this Tribunal under Section 19(2) of the Code seeking directions against the suspended management to cooperate with the applicant and provide information. The suspended management on 14.04.2024 provided the tally data, and the Interlocutory Application No. 1366 of 2023 was disposed of accordingly.
- vi) During the on-going CIRP of the corporate debtor, the applicant on 10.01.2024 appointed Mr. Mukeshkumar Jain and Co., assigning them the task of doing the transaction audit of Jay Formulations Ltd. Thereafter, on 14.06.2024 the applicant received the transaction audit report from Mukeshkumar Jain and Co., wherein detailed analysis has been done on various



transactions done by the suspended management. In an analysis of such transactions, the transaction auditor identified two preferential transactions under Section 43 of the IBC, necessitating orders under Section 44.

- vii) The applicant hereby submits the transaction which have been found preferential by the transaction auditor:

**A. Amount transferred from M/s Jay Formulations Ltd. To M/s JFL Life Sciences Ltd. of Rs 40,00,000/- on 27.03.2023**

- a. The applicant submitted that the transaction auditor was provided with M/s Jay Formulations Ltd.'s bank account statement of Sarvoday Commercial Cooperative Bank Ltd. which was received by the applicant on 26.10.2023.
- b. The applicant submitted that there were entries found by the transaction auditor in the bank account statement wherein an amount of Rs 40,00,000/- (Rupee Forty Lakhs only) was credited on 27.03.2023 in the account of M/s Jay Formulations Ltd. by one Agilis International. Moreover, it is pertinent to note that Agilis International has also been recorded as Trade Receivables in the tally data of M/s Jay Formulations Ltd.



- c. Thereafter, the amount of Rs 40,00,000/- was transferred from the account of M/s Jay Formulations Ltd. to the account of M/s JFL Life Sciences Ltd. on the same day i.e. 27.03.2023.
- d. The applicant submitted that as per the transaction audit report dated 14.06.2024 such transaction falls squarely under the definition of "Preferential Transaction" as defined under section 43 of the Insolvency and Bankruptcy Code, 2016. The reason for such submission is because the audited balance sheet and other sources indicate that M/s JFL Life Sciences Ltd. is a sister concern of M/s Jay Formulations Ltd.
- e. Secondly, it is pertinent to note that on examination of the tally data provided by the suspended management on 14.04.2024 for the period from April 1, 2021 to December 9, 2023, no details or supporting documents have been provided by the suspended management for transactions involving M/s JFL Life Sciences Ltd. Further, it is pertinent to note that the transactions carried out through the Sarvoday Bank Current Account has not been reflected in the tally accounting software.
- f. Thirdly, as mentioned above, the transaction of M/s Jay Formulations Ltd with M/s JFL Life Sciences Ltd. is a "Preferential Transaction" because M/s JFL Life Sciences Ltd. is a sister concern of M/s Jay



Formulations Ltd. Also, because many of the key managerial person of M/s JFL Life Sciences Ltd. are minority shareholders in M/s Jay Formulations Ltd. the details of which are as follows:

Sr. No.	Name	Role of Jay Formulation Ltd.	Role in JFL life Sciences Ltd.
1	Smiral Ashwinkumar Patel	Relative of KMP 0.76% Shareholding ratio	Managing Director (as per Company Master data)
2	Tejal Simral Patel	0.11 % Shareholding ratio	Whole Time Director (as per Company Master data)

Hence, as per the aforementioned data it is sufficient to submit that as per section 43(4)(a) of the Insolvency and Bankruptcy Code, 2016, the transfer of amount is done to a related party and it is submitted that the same is provided within two years period preceding the insolvency commencement date i.e. 26.09.2023 hence the period would be from 26.09.2021 to 26.09.2023. Hence, it is also humbly submitted that the same is within the look back period under section 43 of the Insolvency and Bankruptcy Code, 2016.

**B. Amount transferred from M/s Jay Formulations Ltd. To Mrs. Komal Patel of Rs 2,50,000/- on 21.03.2023.**



- a. The applicant humbly submits that another entry was found in the transaction audit wherein it was observed that M/s Jay Formulations Ltd. transferred an amount of Rs 2,50,000/- from the current account maintained with Sarvoday Commercial Cooperative Bank Ltd. to the account of Mrs. Komal Patel on 21.03.2023.
- b. The applicant herein humbly submits that as per the transaction audit report dated 14.06.2024 such transaction falls squarely under the definition of "Preferential Transaction" as defined under section 43 of the Insolvency and Bankruptcy Code, 2016. The applicant humbly submits as above because the data available on Registrar of Companies (ROC) website shows Mrs. Komal Patel is a director of M/s Jay Formulations Ltd. who is also wife of Mr. Rakshit Ashwinbhai Patel. Further, it is pertinent to note that transactions processed through the Sarvoday Bank Current Account have not been recorded in tally accounting software.
- c. Hence, as per the aforementioned data it is sufficient to submit that as per section 43(4)(a) of the Insolvency and Bankruptcy Code, 2016, the transfer of amount is done to a related party and it is submitted that the same is done within two years period preceding the insolvency commencement date



i.e. 26.09.2023 hence the period would be from 26.09.2021 to 26.09.2023. Hence, it is also humbly submitted that the same is within the look back period under section 43 of the Insolvency and Bankruptcy Code, 2016.

- viii) The applicant humbly submits that the transaction done to M/s JFL Life Sciences Ltd. is also considered as a preferential transaction on the ground other than a related party transaction because the transfer done of Rs 40,00,000/- to the account of M/s JFL Life Sciences Ltd. which is recorded as a trade receivable has been done in preference to other creditors and hence against the scheme provided under section 53 of the Insolvency and Bankruptcy Code, 2016. Therefore, in such circumstances the transaction of Rs 40,00,000/- to M/s JFL Life Sciences Ltd. is a "Preferential Transaction" according to the applicant's submission.
- ix) The applicant further stated that the transaction done to Mrs. Komal Patel of Rs 2,50,000/- is preferential transaction because there are no evidences provided that the transaction has been done in normal circumstances of a business. Hence, it is clear that preference has been provided to her only on the reason of being the director of the company otherwise there has to be some evidences with regard to the same.



- x) The applicant stated that aforementioned submissions are formed on the basis of the transaction audit report dated 14.06.2024. The applicant humbly submits that submission made by the applicant is nothing but a genuine analysis and finding from the data made available to him by the suspended management which was provided to the transaction auditor by which the report dated 14.06.2024 has been formed. Hence, the same may kindly be taken into consideration in the interest of justice.
- xi) The applicant further humbly submits that as per Regulation 35A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016, the applicant as Resolution Professional has made the following determination on preferential transactions as under section 43 of the Insolvency and Bankruptcy Code, 2016:
- A. On transaction with M/s JFL Life Science i.e. transfer made of an amount of Rs 40,00,000/- to M/s JFL Life Sciences Ltd. on 27.03.2023.**
- a. M/s JFL Life Sciences is the related party to M/s Jay Formulations Ltd.
- b. The payment done to M/s JFL Life Sciences does not seem to be in the normal course of business.
- c. On the date of payment, the account of M/s Jay Formulations Ltd. was classified as Non-Performing



Asset and payment to the secured creditors was overdue. Hence section 53 is violated and waterfall mechanism hence is not adhered which does not give fair treatment to the stakeholders.

- d. There is no justification provided by the suspended management for the payment made by them to M/s JFL Life Sciences
- e. Hence, on the above reasons the applicant as a Resolution Professional has the determination formed that payment made by M/s Jay Formulations Ltd. to M/s JFL Life Sciences on preferential basis, provide undue advantage over the other creditors.

**B. On transaction with Mrs. Komal Rakshit Patel i.e. transfer made of an amount of Rs 2,50,000/- to Mrs. Komal Rakshit Patel on 21.03.2023.**

- a. Mrs. Komal Rakshit Patel is a director and promoter, hence it is a related party to the Corporate Debtor
- b. The payment done to Mrs. Komal Rakshit Patel does not seem to be in the normal course of business.
- c. On the date of payment, the account of M/s Jay Formulations Ltd. was classified as Non-Performing Asset and payment to the secured creditors was overdue. Hence section 53 is violated and waterfall mechanism hence is not adhered which does not give fair treatment to the stakeholders.
- d. There is no justification provided by the suspended



management for the payment made by them to Mrs. Komal Rakshit Patel

e. Hence, on the above reasons the applicant as a Resolution Professional has the determination formed that payment made by M/s Jay Formulations Ltd. to Mrs Komal Rakshit Patel on preferential basis

xii) The applicant humbly submits that the suspended management provided the tally data on 14.04.2024 and hence the transaction audit was completed on 14.06.2024 by transaction auditor after going through all the tally data provided by the suspended management. Hence, the applicant is at present submitting the determination with this interlocutory application.

3. Notice in the Present Application was issued to the Respondent Nos. 1 to 4 vide order dated 03.07.2024. After due service on 16.07.2024 through registered Post & on 21.07.2024 through e-mail, the R-1 to R-4 appeared. However, they did not file any reply to the Present Application despite availing various opportunities. Hence, vide order dated 27.11.2024, the right to file a reply of the R-1 to R-4 was closed.

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4. Thereafter, the Respondent No. 4 filed I.A./135(AHM)2025 for seeking permission to file reply which was allowed vide order dated 03.02.2025 subject to cost of Rs.30,000/- which was paid. The Respondent No. 4 filed its reply to the Application on 17.04.2025 vide inward dairy No. D2475. In the reply filed Respondent No. 4 states as under: -

- i. Respondent No. 4 through the reply affidavit stated that the resolution professional had straightaway filed the present application against the respondent no.4 without giving any notice or communication for explaining the transaction in question. I say and submit that the transaction in question against the respondent no.4 in the present application is merely a transaction during the course of business.
- ii. Respondent No. 4 through the reply affidavit stated that the answering respondent no.4 had undertaken jobs work specifically for Agilis International.
- iii. Respondent No. 4 through the reply affidavit stated that the answering respondent no.4 had raised various invoices for such job work sales from 2021 to 2022 and the total outstanding of Rs.42,85,195/- was due from the corporate debtor i.e. Jay Formulations Ltd.
- iv. Respondent No. 4 through the reply affidavit stated



that around end of March 2023, the Agilis International made payments to the corporate debtor instead of answering respondent no.4. further submitted that the subject payment of the present application of Rs.40,00,000/- was to be made to the answering respondent no.4, however since the payment was made to the corporate debtor, the corporate debtor did not made any payment to answering respondent no.4 until it was received from Agilis International.

- v. Respondent No. 4 through the reply affidavit stated that the Answering Respondent No.4 had supplied the specific goods on request of Agilis International. Further stated that it was a clear bonafide business transaction and since the Agilis International did not made payments as per the invoice and the payment was made at end of March, 2023, the said payment was for the job work done by the Answering Respondent No.4 and thus, the Corporate Debtor had made payment to the Answering Respondent No.4. Submitted that there is no preference given to the Answering Respondent No.4 as the amount was paid by the Corporate Debtor only it was received from Agilis International. Further stated that since, the transaction in question is a bonafide transaction and are during the course of business the said



transaction averments pertaining to the sister concern are not tenable in the eyes of law.

- vi. Respondent No. 4 through the reply affidavit stated that with respect to para 8, they do not admit the contents thereof and deny the same. they submitted that the amount of Rs.40,00,000/- was outstanding since September, 2021, however, the payment of such job work sales was not received from Agilis International. Further stated that thus, there was no preference despite outstanding since September 2021 given to the Answering Respondent No.4. They submitted that thus, the present application deserves to be dismissed qua Answering Respondent No.4.
- vii. Respondent No. 4 through the reply affidavit stated that with respect to para 10, Respondent do not admit the contents thereof and deny the same. Further stated that the applicant admits that the application is based on the transaction audit report and there is no opinion formed by the applicant. That further, there is no clarification sought by the applicant with Answering Respondent No.4 to justify the above transaction. thus, the present application is filed without application of mind and thus, deserves to be dismissed.
- viii. Respondent No. 4 through the reply affidavit stated



that the payment done to the Answering Respondent No.4 was in normal course of business. Respondent No. 4 submitted that they have provided justification of the said transaction in this reply. Respondent submitted that there was no preference given to the Answering Respondent No.4. respondent further stated that even otherwise an amount of would not tantamount to any preferential transaction.

- ix. Respondent No. 4 through the reply affidavit stated that with respect to para 7, they do not admit the contents thereof and deny the same. That the goods for which job work was done by the Answering Respondent No.4 was delivered to Agilis International and Agilis International had made payment of Rs.40,00,000/- which was for the said job work carried out by Answering Respondent No.4 and since the payments were made in March, 2023 the said was made to the Answering Respondent No.4. That there was no preference given to Answering Respondent No.4. That on the contrary the Answering Respondent No.4 had outstanding of more than 40,00,000/- since September, 2021 and the payments were overdue from Agilis International.
- x. Respondent No. 4 through the reply affidavit stated that the Answering Respondent No.4 is not sister concern of the Corporate Debtor. That the



suspended management of the Corporate Debtor is relative of key managerial person of Answering Respondent No.4 that, cannot be defined as sister concern. That merely being relative of suspended management and without any substantial shareholding the Answering Respondent No.4 cannot be termed has sister concern. That thus, the Rs.2,85,195/- remains outstanding from the Corporate Debtor.

5. The Applicant Resolution Professional has filed a rejoinder to the reply filed by the Respondent No. 4 on 03.03.2025 vide inward dairy no. D1452 and made the following statements:

- i. The applicant RP has stated that in consonance with the affidavit-in-reply filed by the present respondent i.e. M/s JFL Life Science Ltd., the preferential transaction done with M/s JFL Life Science Ltd. is taken into consideration while filing the present rejoinder. Hence, as per the report submitted, the transaction entered with M/s JFL Life Science Ltd. is treated as preferential transaction as follows:
  - a) The corporate debtor on 27.03.2023 received an amount of Rs 40,00,000/- from one Agilis International. Further, it is pertinent to note that Agilis International is recorded as Trade Receivables



in the tally data of the corporate debtor. Thereafter, the amount of Rs 40,00,000/- was transferred from the account of the corporate debtor to the account of M/s JFL Life Science Ltd. on the same day i.e. 27.03.2023.

- ii. However, the respondent no. 4 i.e. M/s JFL Life Sciences Ltd provided a detailed affidavit in reply wherein they produced the requisite documents such as the invoices, tax invoices and payment of GST done for the transactions entered between M/s JFL Life Sciences Ltd and the corporate debtor M/s Jay Formulations Ltd. Further, they have also produced documents such as invoices, tax invoices raised by the corporate debtor to Agilis International.
- iii. The applicant submitted that the said data has been submitted to the transaction audit reporter and it is also confirmed after going through the invoices and proof of GST payment as connected with the captioned application and accordingly.
- iv. RP further submitted that the captioned interlocutory application is filed under section 43 and 44 of the Insolvency and Bankruptcy Code, 2016 before this Tribunal with a relief of declaring the transactions as preferential transactions done by the suspended management and providing any other relief as under section 44 of the Insolvency and



Bankruptcy Code, 2016.

- v. Further, it is submitted that the suspended management of the corporate debtor has been involved in two preferential transactions during the relevant time, as per the forensic audit submitted by respondent no. 4 that the transactions are genuine and that the amount of Rs 40,00,000 / - (Rupees Forty Lakhs only) was transferred to the corporate debtor first and then to M/s JFL Life Science Ltd since the amount of Rs 40,00,000 / - was to be paid to none other than M/s JFL Life Sciences Ltd. Hence, the corporate debtor i.e. M/s Jay Formulations Ltd. only forwarded the amount for which work was done and appropriate tax was also paid. Hence, the transaction has occurred in normal course of business.
- vi. Therefore, it is submitted that the relief asked by the applicant in the captioned interlocutory application with regard to transactions of M/s JFL Life Science Ltd and its classification as a preferential transaction is hereby not pressed by the applicant and it is humbly submitted that post being satisfied by the documents produced before them, the applicant is not pressing for any kind of orders against the transactions entered with M/s JFL Life Sciences Ltd.



6. Respondent no. 4 has filed an additional reply to the IA in compliance with the order dated 02.04.2025 vide inward diary no. D2475 on 17.04.2025 making the following averments: -

- i. This Hon'ble Tribunal directed to submit following documents: -
  - a. Copy of relevant working documents
  - b. Invoice matching as referred above
  - c. Copy of GSTR 3B forms filed by respondent no.4 and also Corporate Debtor showing the relevant payment of tax corresponding to GSTR filed by both.
  - d. Flow chart for the working orders, manufacturing and also payments.
  - e. Justify the evidence of payment retained by the Corporate Debtor for the service provided.
- ii. All the documents were placed on record and the respondent no 4 stated with respect to evidence of payment the same is filed by the applicant at page no.159 of the application wherein, Agilis International had made payment of Rs.40,00,000/- on 27.03.2023 Rs.47,61,711/- on 29.03.2023 to the Corporate Debtor. That, the bank statement it is evident that Agilis International had made more payments to the Corporate Debtor then what is



being paid by the Corporate Debtor to the respondent no.4. That, such bank statement itself justifies the evidence of payment received by Corporate Debtor for the services.

7. Applicant Resolution Professional has filed additional affidavit to the IA in compliance with the order dated 02.04.2025 vide inward diary no.2476 on 17.04.2025, making the following averments: -

i. The captioned interlocutory application was listed before this Hon'ble Tribunal on 02.04.2025 wherein it was effectively heard. However, while hearing the interlocutory application the Tribunal raised queries regarding the transaction of the corporate debtor i.e. M.s Jay Formulations Ltd. with the respondent no. 4 i.e. M/s JFL Life Science Ltd. Hence, vide order dated 02.04.2025, this Hon'ble Tribunal directed the applicant along-with the respondent to submit the following:

I. Copy of relevant work orders.

II. Invoices matching as referred above.

III. Copy of GSTR - 3B forms filed by Respondent No. 4 and also Corporate Debtor showing the relevant payment of Tax corresponding to GSTR filed by both.



- IV. Flow Chart for the working orders, manufacturing and also payment.
- V. Justify the evidence of payment retained by Corporate Debtor for the services provided.
- ii. Hence, in compliance of the same, RP filed the present affidavit. While, the above-mentioned documents are taken into consideration, it is pertinent to know the premises of the application filed. In furtherance to the same, it is submitted that the captioned interlocutory application is filed under section 43 and 44 of the Insolvency and Bankruptcy Code, 2016 before this Tribunal with a relief of declaring the transactions as preferential transactions done by suspended management and providing any other relief as under section 44 of the Insolvency and Bankruptcy Code, 2016.
- iii. Further, it is humbly submitted that the suspended management of the corporate debtor has been involved in two referential transactions during the relevant time, as per the forensic audit report dated 14.06.2024. However, in consonance with the transactions entered with the Respondent No. 4 i.e. M/s JFL Life Science Ltd., the present affidavit is filed.
- iv. In consonance to the same, it is submitted that:
- a. the corporate debtor on 27.03.2023 received an



amount of Rs 40,00,000/- from one Agilis International. Further, it is pertinent to note that Agilis International is recorded as Trade Receivables in the tally data of the corporate debtor. Thereafter, the amount of Rs 40,00,000/- was transferred from the account of the corporate debtor to the account of M/s JFL Life Science Ltd. on the same day i.e. 27.03.2023.

- b. However, the respondent no. 4 i.e. M/s JFL Life Science provided a detailed affidavit in reply wherein they produced the requisite documents such as the invoices, tax invoices and payment of GST done for the transactions entered between M/s JFL Life Science and the corporate debtor M/s Jay Formulations Ltd. Further, they have also produced documents such as invoices, tax invoices raised by the corporate debtor upon Agilis International.
- c. Hence, in the rejoinder affidavit, after taking into consideration the reply filed by the respondent no. 4 and documents annexed with the reply and being satisfied from same, it was submitted that as the applicant, we will not be pressing on the particular transaction to be classified as a preferential transaction.
- d. However, this Tribunal raised query before taking

File



into consideration the aforementioned submissions from both the into consideration the aforementioned documents. Further, it is humbly requested before this Tribunal to kindly condone the delay in filing the present affidavit since the exact list of documents to be produced was provided in the order dated 02.04.2025, which was uploaded only on 07.04.2025, and hence the present affidavit is filed accordingly.

7. The written submissions were filed by the Applicant/RP as well as by the Respondent No. 4 through the inward diary no. D2160 and D2217 on 01.04.2025 and 02.04.2025 respectively. The same was taken on record.
8. We have heard the Ld. Counsel for the Applicant/RP as well as Ld. Counsel for Respondent No. 4 and perused the record. Right to file reply for Respondent Nos. 1 to 3 was already closed by this Tribunal vide order dated 27.11.2024. An opportunity was given to the Counsel for Respondent Nos. 1 to 3 to make oral submissions on 21.04.2025. But none were present for Respondent Nos. 1 to 3 to make oral submissions.



9. That the Corporate Debtor was admitted to Corporate Insolvency Resolution Process (CIRP), vide an order dated 26.09.2023 passed by this Tribunal in CP(IB) No. 123 of 2022.
10. The captioned interlocutory application is filed under sections 43 and 44 of the Insolvency and Bankruptcy Code, 2016, before this Hon'ble Tribunal with a relief of declaring the transactions as preferential transactions done by the suspended management and providing any other relief as under section 44 of the Insolvency and Bankruptcy Code, 2016.
11. The suspended management of the corporate debtor has been involved in two preferential transactions during the relevant time, as per the forensic audit report dated 14.06.2024. As per the report submitted, the following are forming transactions which are classified as preferential:

**A. Transaction with JFL Life Science:**

- a. The corporate debtor on 27.03.2023 received an amount of Rs 40,00,000/- from one Agilis International. Further, it is pertinent to note that Agilis International is recorded as



Trade Receivables in the Tally Data of the corporate debtor. Thereafter, the amount of Rs 40,00,000 / - was transferred from the account of the corporate debtor to the account of M/s JFL Life Science Ltd. on the same day i.e. 27.03.2023.

- b. Further, it is pertinent to note that the key managerial persons in M/s JFL Life Science Ltd. are relatives of the suspended management of the corporate debtor and also holding shares of the corporate debtor.
- c. To the aforementioned submission, the respondent no. 4 i.e. M/s JFL Life Sciences Ltd. has filed an Affidavit in Reply on 23.01.2025 wherein they replied that M/s JFL Life Sciences undertook job work from Agilis International and appropriate invoices were raised. Further, it is also submitted that M/s JFL Life Sciences also had receivables from the corporate debtor.
- d. In response to the above submissions, the applicant filed affidavit in rejoinder dated 03.03.2025 wherein the applicant submitted that the said data has been submitted to the forensic audit reporter and it is also confirmed after going through the invoices and proof of GST payment as submitted by respondent no. 4 that the transactions are genuine and that the amount of Rs 40,00,000/- (Rupees Forty Lakhs only) was transferred to the corporate debtor first and then to M/s JFL Life Science since the amount of Rs 40,00,000/ - was to be paid to none other than M/s JFL Life Science. Hence, the corporate debtor i.e. M/s Jay



Formulations Ltd. only forwarded the amount for which work was done and appropriate tax was also paid. Hence, the transaction has occurred in normal course of business. Hence, That the relief asked by the applicant in the captioned interlocutory application with regard to transactions of M/s JFL Life Science and its classification as a preferential transaction was not pressed by the applicant and that post being satisfied by the documents produced before them, the applicant is not pressing for any kind of orders against the transactions entered with M/s JFL Life Science.

- e. We have also examined the documents filed by the Respondent 4 and the transaction of payment of Rs 40,00,000 by CD to Respondent No.4 is suggestive of a normal business transaction and therefore no adverse view is taken and the revised position of the RP is accepted.

**B. Amount transferred to Komal Rakshit Patel:**

- a. The corporate debtor on 21.03.2023 has transferred an amount of Rs 2,50,000/- in the account of Mrs. Komal Rakshit Patel from the account maintained with Sarvodaya Commercial Cooperative Bank.
- b. Mrs. Komal Rakshit Patel is presently part of the suspended management and was director of the corporate debtor at the relevant time. However, the amount transferred was not with regard to the credit of salary from the corporate debtor. Hence, it is submitted that a



preference was provided to the director illegally by the corporate debtor.

c. The respondent suspended management has not rebutted to the aforementioned submissions of the resolution professional. As despite various opportunities were given to file reply which was not filed and right to file reply was closed vide order dated 27.11.2024. Further during the course of arguments, the Respondent No. 1 to 3 did not come forward to make even oral submissions in their defence.

**12.** Hence, we are of the view that the above transaction of Rs 2,50,000/- is a preferential transaction done by the suspended management and hence declared as preferential as per section 43 of IBC, 2016.

**13.** Therefore, the transaction/payment of **Rs.2,50,000/-** is declared a preferential transaction under Section 44 of the IBC, 2016.

**14.** Hence, the **Respondent No. 2** i.e. Mrs. Komal Rakshit Patel is held liable and directed to pay **Rs.2,50,000/-** to the assets of the Corporate Debtor under Section 44 of the IBC, 2016, within **thirty days** from the date of the order.



- 15.** Any failure to comply with this order shall attract penal consequences under the Code, including reference to the Insolvency and Bankruptcy Board of India (IBBI) for further action against the Respondents.
- 16.** In terms of the above, Interlocutory Application i.e. **IA/987 (AHM)2024** in C.P.(IB)/123(AHM)2022 is partly allowed and disposed of.
- 17.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

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**SANJEEV KUMAR SHARMA**  
**MEMBER (TECHNICAL)**

SP-LRA

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**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**