

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI**

Company Appeal (AT) (Insolvency) No. 518 of 2024

IN THE MATTER OF:

Invoice Discounters of Riva Perfumes LLP
Represented by Minion Ventures Pvt. Ltd. ...Appellant

Versus

Riva Perfumes LLP ...Respondent

Present:

For Appellant: Mr. Siddhant Jaiswal, Advocate.

**For Respondent: Ms. Shalya Agarwal and Mr. Dhananjaya Sud,
Advocates.**

O R D E R
(Hybrid Mode)

27.03.2024: Heard learned counsel for the Appellant. This Appeal has been filed against order dated 10.01.2024 by which the Adjudicating Authority has dismissed Section 7 application filed by the Appellant. The Appellant is an entity who has discounted invoices raised by the Respondent as part of an arrangement through online bill/invoice discounting portal called “KredX” operated by one Minions Ventures Pvt. Ltd. The agreement was entered between the Appellant with the Minions Ventures Pvt. Ltd. The Appellant who discounted the invoices when ultimately did not get payment filed Section 7 application. The Adjudicating Authority relying on the judgment of this Tribunal “V.R. Ashok Rao & 24 Ors. Vs. TDT Copper Ltd., Company Appeal (AT) (Ins.) No. 780 of 2022” rejected the application holding that the debt in question is only an operational debt and the Appellant is an Operational Creditor.

Cont’d.../

2. Learned counsel for the Appellant challenging the order contends that the Adjudicating Authority committed error in observing that the agreement was not on the record. Further, an appeal has been in the Hon'ble Supreme Court against the judgment of Appellate Tribunal in "*V.R. Ashok Rao & 24 Ors. Vs. TDT Copper Ltd.*" where notices have been issued in Civil Appeal Diary No.20458 of 2023, hence, the Appellant has prayed for adjournment sine die of the application, which was not granted.

3. We have considered the submissions of learned counsel for the Appellant and perused the record.

4. Both the Appellant and the Seller are registered on the portal called "KredX" operated by one Minions Ventures Pvt. Ltd. Appellant has discounted the invoices which invoices were of the seller, against the receivables under the invoices. We have also looked into the Agreement for Transfer of Rights between the Seller and the Purchaser, who were referred as parties to the Agreement dated 19.04.2023 as well as another Agreement dated 27.04.2023 between the Seller and the Minions Ventures Pvt. Ltd. The transaction as reflected in the agreement is a transaction for sale and purchase of goods and invoice discounting which was invoice discounting regarding receivable under the invoice and at best the claim of the Appellant is Operational Debt for which Section 7 application was not maintainable. We are of the view that the Adjudicating Authority rightly rejected the application filed by the Appellant.

5. In so far as reference to Civil Appeal Diary No.20458 of 2023 is concerned, judgment of Hon'ble Supreme Court when delivered shall bind all. We only observed that in event the judgment as referred in the Civil Appeal is decided in favour of the Appellant, there shall be liberty to revive the proceedings. With these observations, we dismiss the Appeal.

[Justice Ashok Bhushan]
Chairperson

[Arun Baroka]
Member (Technical)

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