

NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH

29

PRESENT: HON'BLE SHRI K ANANTHA PADMANABHA SWAMY- MEMBER JUDICIAL

PRESENT: HON'BLE SHRI BINOD KUMAR SINHA - MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 26.11.2019 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA NO. 776/2019 in CP(IB) NO. 680/7/HDB/2018
NAME OF THE COMPANY	Eterna Life Sciences Pvt Ltd
NAME OF THE PETITIONER(S)	State Bank Of India
NAME OF THE RESPONDENT(S)	Eterna Life Sciences Pvt Ltd
UNDER SECTION	7 OF IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

Counsel for Respondent(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

**ORDER**


IA No.776/2019

Orders pronounced in open court. IA allowed vide separate orders.



**MEMBER TECHNICAL**

Santi



**MEMBER JUDICIAL**

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH, HYDERABAD**

IA No.776/2019  
In  
CP(IB) No.680/7/HDB/2018

**In the matter of: M/s. Eterna Life Sciences Private Limited**

Kalvakolanu Murali Krishna Prasad  
Reg. No. IBBI/IPA-001/IP-P00967/2017-18/11588  
#8-27, Mythripuram Colony, Jilleguda,  
Vyshalinagar Post,  
Hyderabad – 500 079.

...Applicant

Between:

State Bank of India, SAM II Branch Kachiguda  
Having its Local Head Office at  
Bank Street, Koti, Hyderabad.

... Financial Creditor

**VS**

M/s .Eterna Life Sciences Private Limited,  
Having its Registered Office at:  
#02, Akash Ganga Apartments,  
8-2-287/11/5/102,  
Banjara Hills,  
Hyderabad – 500034.  
(Rep. by its Resolution Professional  
Mr. Kalvakolanu Murali Krishna Prasad)

... Respondent Company /  
Corporate Debtor

**Order pronounced on: 26.11.2019**

**Coram: Shri. K. ANANTHA PADMANABHA SWAMY, MEMBER JUDICIAL  
Dr. BINOD KUMAR SINHA, MEMBER TECHNICAL**

**Parties/Counsel Present:**

For the Applicant:

Mr. Kalvakolanu Murali Krishna Prasad, RP  
Mrs. J.V.L Bharati, Advocate

*lu*

*26/11*

**Per: Dr. Binod Kumar Sinha, Member Technical**

**ORDER**

1. The present Application bearing IA No. 776 of 2019 is filed U/s 33 read with Section 54 of the IBC, 2016, seeking the following reliefs :-
  - a. To pass the dissolution order u/s 54 (1) (a) or any other provisions of Insolvency and Bankruptcy Code, 2016.
  - b. To pass such order (s) as may be deemed fit and proper by this Adjudicating Authority in the interest of justice.
2. Brief facts of the present Application are as under:
  - a. That this Adjudicating Authority vide its order dated 18.03.2019 has passed an order of admission and commencement of Corporate Insolvency Resolution Process and Mr. K.M.K. Prasad was appointed as Interim Resolution Professional (IRP).
  - b. That the IRP made the public announcement on 23.03.2019 in two newspapers i.e., Financial Express and Nava Telangana at Hyderabad and also a copy of the public announcement has been published in IBBI website.
  - c. That in compliance with Section 21(1) of the Code, the IRP has constituted the Committee of Creditors (CoC) on 12<sup>th</sup> April 2019 as under:

<b>SNo</b>	<b>Name of the Financial Creditor</b>	<b>Voting Share</b>
1	State Bank of India, SAMB II, Kachiguda, Hyderabad	100.00
	<b>Total</b>	<b>100.00</b>

*Binod*

*h*

d. That the members of CoC noted the claims received by the IRP which are as mentioned below:

SNo	Nature	Name	Claim Amount in Rs.	Amount admitted in Rs	Remarks
1	FC	State Bank of India	44,84,51,128=84	44,84,51,128=84	The amount claimed represent amount due and in default on account of M/s.Super Agri Seeds Pvt Ltd., for which the CD extended corporate guarantee, as it is a financial debt as per Sec.5(8)i of IBC 2016.
2	OC	State Tax Officer-2 Godra Unit-46, Gujrat	1,63,737.00	Nil	The amount claimed represent VAT dues pertaining to period 1-10-2010 to 31.10.2010 and same is time barred.
		Total	44,86,14,866	44,84,51,128.84	

- e. That the CoC at its 1<sup>st</sup> meeting held on 17.04.2019 decided to give an opportunity to the Promoter to submit a settlement plan for relieving his personal guarantee obligation as well as the Corporate Guarantee of Corporate Debtor given to SBI against the loans availed by sister concern M/s. Super Agri Seeds Pvt Ltd., (Under Liquidation Process) as a resolution strategy by withdrawing the cases filed by the Promoters.
- f. That the 2<sup>nd</sup> CoC meeting was deferred as the Promoter expressed his inability to attend the meeting vide his e-mail dated on 17.08.2019.

- g. That the third and the last meeting of CoC members was held on 09.09.2019 and the claims received remained the same as those noted in the 1<sup>st</sup> CoC meeting.
- h. The committee further noted that as on the date of commencement of CIRP there are no tangible assets or intangible assets, as per audited balance sheet dated 31.03.2018. No cash deposits were noticed during last two years into the company's OD account.
- i. The committee also noted that the company is having Non-current Investments in the form of 16,01,540 Fully paid up equity shares of Rs10/- each of M/s.Super Agri Seeds Pvt Ltd. (under liquidation) shown at Rs.2,00,41,410 as per the audited balance sheet as on 31.03.2018. The liquidation order was passed by the Adjudicating Authority in the matter of M/s.Super Agri Seeds Private Limited on 21.03.2018, and the process of liquidation is in progress. Under the above circumstances, the realizable value of the current investments in the hands of the Corporate Debtor is nil.
- j. The committee further noted that as per the 1<sup>st</sup> CoC meeting discussions, as a resolution strategy, Mr.Ravi Srinivas, Director of the suspended Board proposed to submit an One Time Settlement proposal to SBI, for relieving from personal guarantee and corporate guarantee extended to SBI, for loans availed by M/s.Super Agri Seeds Private Limited (under liquidation), by CD company, by withdrawing the cases filed by him against SBI & Liquidator, at the earliest.





- k. The committee also further noted that Sri Ravi Srinivas has not submitted any settlement proposal for relieving the Corporate Guarantee of Corporate Debtor and his Personal Guarantee in spite of CoC giving an opportunity for amicable settlement. The committee further noted that Sri.Ravi Srinivas, vide his e-mail message dated 24.08.2019, informed that the Corporate Debtor has not been carrying out any business for the last 9 years and does not have any assets.
- l. The committee felt that considering that the operations of the Corporate Debtor company were fully stopped since FY 2015-2016 and there is no chance of restarting the operations as there are no assets left with the Corporate Debtor for liquidation and therefore it is desirable to dissolve the Corporate Debtor company, without going for the process of liquidation.
- m. It is further submitted that Corporate Debtor's present position can be understood in the light of the following facts:
- i. Registered office is closed.
  - ii. No factory
  - iii. Nil employees,
  - iv. Nil work orders in hand,
  - v. Nil tangible & intangible assets,
  - vi. Investments in Super Agri Seeds Pvt. Ltd. have no realizable value since the said Company is in liquidation.
  - vii. Nil Intellectual property

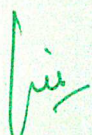
  
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- viii. No operations for the last 9 years as stated by the promoters and nil income reported as observed from last two years Audited Balance sheets and provisional Balance sheet during FY 2018-2019, upto the commencement of CIRP.
- n. It is stated that after detailed discussions, the Committee passed the following resolution with 100% voting share:
- “RESOLVED THAT the approval of Committee of Creditors (CoC) be and hereby accorded to dissolve the Corporate Debtor company, i.e., M/s.Eterna Life Sciences Pvt Limited, without going for the process of liquidation.”*
- “RESOLVED FURTHER that the RP be and hereby authorized to file necessary application before Adjudicating Authority, i.e., Hon’ble NCLT, Hyderabad Bench, through Legal Counsel for Dissolution with NCLT under Section 54(1) as recommended by the Committee of Creditors.”*
- o. Reliance has been placed on NCLT Chennai Bench’s order in MA/237/IB/2018 in CP/189/IB/2018 in the matter of DDS Steel Rolling Mills Pvt Ltd wherein para 7 of the said order it has been held as under:
- “In view of the above, and the other details provided in the Company Application under consideration, and the record placed on file, this Authority in exercise of the powers conferred under Sub-section (2) of Section 54 of the I&B code 2016, hereby order the dissolution of the Corporate Debtor, viz., M/s DDS Steel Rolling Miss Private Limited from the date of this Order, and the Corporate Debtor stand dissolved. Therefore, the Resolution professional is relieved.*
- p. Reiterating above, the counsel for the Applicant prayed to allow the Application as prayed for.
3. Heard both the sides and perused the record.

4. In view of the facts and circumstances as stated supra and considering the commercial decision of the CoC coupled with the fact that the Corporate Debtor does not have any tangible or intangible assets, including any Intellectual Property Rights as reported by IRP (with the powers of RP), and further placing reliance on the orders passed by this Adjudicating Authority in the matter of *Swapna Infracon Private Limited* in IA No. 516/2019 in CP(IB) No. 272/9/HDB/2018 wherein the facts are similar to the facts in the instant case, this Adjudicating Authority in exercise of the powers conferred under Section 54(2) of the I&B Code, 2016, deems it fit and proper to pass an Order of dissolution of the Corporate Debtor i.e., M/s. Eterna Life Sciences Private Limited and thus the Corporate Debtor herein stands dissolved, from the date of this order. The IRP also stands relieved.
5. Registry and the IRP are directed to communicate the Copy of this Order to the concerned authorities within 7 days from receipt of this order.

  
26.11.19  
**Dr. BINOD KUMAR SINHA**  
**MEMBER (TECHNICAL)**

  
**K.ANANTHA PADMANABAHA SWAMY**  
**MEMBER (JUDICIAL)**