



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
NEW DELHI, COURT-III**

**Item No.03**  
IB – 246/ND/2023

**IN THE MATTER OF:**

M/s. URB INDIA BEARING FACTORY AND TRADE PVT. LTD.

**..... Corporate Applicant**

**SECTION**

**Section 10 of the Insolvency and Bankruptcy Code, 2016**

**Order Pronounced On: 16.05.2023**

**CORAM:**

**SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)**

**SHRI ATUL CHATURVEDI, HON'BLE MEMBER (TECHNICAL)**

**APPEARANCES:**

For the Corporate Applicant :

**ORDER**

Order pronounced in open court vide separate sheets. IB – 246/ND/2023 is **dismissed**.

**-SD-  
(ATUL CHATURVEDI)  
MEMBER (TECHNICAL)**

**-SD-  
(BACHU VENKAT BALARAM DAS)  
MEMBER (JUDICIAL)**



**THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI COURT-III**  
**IB - 246/ND/2023**

Order under Section 10 of the Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

**IN THE MATTER OF:**

**M/s. URB INDIA BEARING FACTORY AND TRADE PVT. LTD.**

*Having Its Registered Office at:*

Coworkin Space Management Private Limited  
3<sup>rd</sup> Floor, 39, Kushal House, Nehru Place,  
Delhi - 110019.

CIN: U29253DL2011FTC218287

..... **Corporate Applicant**

**Order Pronounced On: 16.05.2023**

**CORAM:**

**SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER  
(JUDICIAL)**

**SHRI ATUL CHATURVEDI, HON'BLE MEMBER (TECHNICAL)**

**APPEARANCES**

For the Applicant :

For the Respondent :

**ORDER**

**PER: ATUL CHATURVEDI, MEMBER (TECHNICAL)**

1. IB - 246/ND/2023 is an Application filed by M/s. URB INDIA BEARING FACTORY AND TRADE PVT. LTD. the Corporate Applicant on 01.04.2023, before this Adjudicating Authority, under Section 10 of the Insolvency and Bankruptcy Code, 2016 ("IBC" or "Code") r/w Rule 7 of the Insolvency and Bankruptcy

**M/s. URB India Bearing Factory and Trade Pvt. Ltd.**

**IB - 246/ND/2023**

**Date of Order : 16.05.2023**



(Application to Adjudicating Authority) Rules, 2016, (“Adjudicating Authority Rules”), for initiating the Corporate Insolvency Resolution Process (“CIRP”) and declaring moratorium and for appointment of Interim Resolution Professional (“IRP”), against itself for seeking following reliefs:

- i. “Pass an order requiring the Urb India Bearing Factory and Trade Private Limited/Corporate Debtor to be liquidated in the manner as laid down in Chapter III (Liquidation Process) of Part II of the IBC and appoint the proposed IRP as the Liquidator; Or in the alternative,*
  - ii. Admit the instant Application and pass an order for initiating the corporate insolvency resolution process for Urb India Bearing Factory and Trade Private Limited/Corporate Debtor under Section 10 of the Insolvency and Bankruptcy Code 2016 (“Code”) read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, appoint the proposed IRP and declare the moratorium under Section 14 of the IBC.*
  - iii. Pass such other and further orders as this Hon’ble Court may deem fit and proper in the interest of justice.”*
2. This Application has been filed through its Director MR. SHASHIKANTH NARAYANARAO (DIN: 06551790) duly authorized vide Special Resolution passed in Extra-Ordinary General Meeting (“EOGM”) dated 02.09.2022. Copy of the EOGM Resolution dated 2<sup>nd</sup> September 2022 is filed along with the Application.
3. The Corporate Applicant was incorporated on 29.04.2011, as a Company Limited by Share (Non- govt. Company) having CIN: U29253DL2011FTC218287, under the erstwhile Companies Act, 1956 with the Registrar of Companies, NCT of Delhi and Haryana. The Authorised Share Capital of the Corporate Applicant is

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Rs.5,56,20,000/- (Rupees Five Crore Fifty Six Lakhs Twenty Thousand Only) and the Paid-up Share Capital of the Corporate Applicant is Rs. 5,03,19,960/- (Rupees Five Crore Three Lakh Nineteen Thousand Nine Hundred Sixty Only). The Registered Office Address of the Corporate Applicant is Coworkin Space Management Private Limited, 3<sup>rd</sup> Floor, 39, Kushal House, Nehru Place, Delhi – 110019. Therefore, this Bench has jurisdiction to deal with this application. A copy of the Company Details/Master Data of the Corporate Applicant is filed along with the Application.

4. **Facts of the Case:**

- i. There are two Shareholders in the Corporate Applicant Company, which is as follows:

<b>Name of Shareholders</b>	<b>Address</b>	<b>No. of Shares</b>
SC Rulmenti S.A.	Republicii Street, No. 320, Barlad, County Vaslui, PO 731108. E-mail Address: <a href="mailto:info@urb.ro">info@urb.ro</a>	Shares: 49,39,996 Face Value: Rs. 10 % of Holding: 98.17%
Komyapi Hazir Beton Prefabrik Insaat Taahhut Sanayi Ve Ticaret AS, Turkey	Nisantasi Mah. Dr. M. Hulusi Baybal Cad. Bera Ismerkezi No: 12 Kat: 1 42060 Selcuklu – Konya – Turkiye E-mail Address: <a href="mailto:komyapi@hs05.kep.tr">komyapi@hs05.kep.tr</a>	Shares: 92,000 Face Value: Rs. 10 % of Holding: 1.83%
	<b>Total</b>	<b>50,31,996.00</b>

A copy of the List of Shareholders of the Corporate Applicant Company is filed along with the Application.

- ii. The Corporate Applicant has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to Debenture holders. The Corporate Applicant has taken external commercial borrowing from SC Rulmenti SA (Shareholder and Holding company of Corporate Applicant) of Rs. 20,67,34,470/- for the construction of the factory and the working capital requirement of the Corporate Applicant. Since the Corporate Applicant is doing continuous losses, it is not in



a position to make payments toward its borrowing from the available funds. The majority of its outstanding liabilities are debts owed in the form of liabilities arising from External Commercial Borrowing (“ECB”) taken from the holding company.

- iii.** The Corporate Applicant received a demand letter from SC Rulmenti SA on dated 14<sup>th</sup> August 2022 of approx. USD \$ 29,83,385 (Book Value Rs. 20,67,34,470/-). The Corporate Applicant replied on 16<sup>th</sup> August 2022 and informed that the Corporate Applicant is currently not in a position to pay the outstanding amount of USD \$ 29,83,385 (Book Value Rs. 20,67,34,470/-) to SC Rulmenti SA, as in the absence of cash balance and incurring regular losses, the Corporate Applicant has no means to raise funds to pay the aforementioned amounts. A true copy of the demand letter dated 14<sup>th</sup> August 2022 and response filed by the Corporate Applicant through letter dated 16<sup>th</sup> August 2022 is filed along with the application.
- iv.** The Corporate Applicant’s total debt other than ECB on account of dues is Rs 6,14,585/- as stated in the details of the Statement of Affairs (containing the list of Creditors specifying their name, address, and amount in default along with details pertaining to date when such debts became payable). A copy of the Statement of Affairs of the Corporate Applicant’s Operational Debts are filed along with the Application.
- v.** The Corporate Applicant’s outstanding receivables of Rs 72,89,685/- carried forward more than two years. A copy of the detailed outstanding receivables of the Corporate Applicant are filed along with the application.
- vi.** As on 28<sup>th</sup> February 2023, the total amount payable by the Corporate Applicant amounts to Rs 20,73,49,055/- (Rupees Twenty Crore Seventy Three Lakh Forty Nine Thousand Fifty Five Only). Due to the current financial condition of the Corporate Applicant and in view of the fact that the debt owed



is to the parent company, there is hardly any possibility of any resolution plan likely to be received during the stage of CIRP and thus would be just and proper to directly initiate liquidation process against the Corporate Applicant. As on 28<sup>th</sup> February 2023 and as per the provisional financial statement, the Current Assets of the Corporate Applicant are Rs. 91,12,089/- whereas it's current/non-current liabilities are Rs. 20,73,49,055/- and there is no possibility to revive the Corporate Applicant as it is not having any business operations in the last few years. The Corporate Applicant has been in losses from the inception of the company. Thus, the Corporate Applicant does not have any assets and even further, is currently not undertaking any business operations. The CIRP costs would only be adding an additional financial burden.

- vii.** As on the date of filing the instant application, the Corporate Applicant stands as a loss-making, inoperative enterprise, in default and unable to pay off its debt. The Corporate Applicant does not have the resources to completely pay its operational or statutory dues. It is submitted that there are no business opportunities left for the Corporate Applicant and the prospect of future business also seems bleak. As on 31<sup>st</sup> March 2022, the total amount payable by the Corporate Applicant amounts to Rs 20,73,98,255/-. Thus, the continuation of the operation of the Corporate Applicant is likely to create further financial burdens. The copies of the summary of revenue earned and profit/(loss) incurred by the Corporate Applicant along with audited financial statements and Auditor report for the FY 12-13 to FY 21-22 are filed along with the application.

## **5. Analysis and Findings**

- i.** We have heard the Ld. Counsel appearing for Corporate Applicant. We have also perused the documents on record.



- ii.** However, from the records and on the analysis of the audited financial statements of the Corporate Applicant for the FY 2021-2022 and also the provisional financial statement for the FY 2022-23, we are of the considered view that the Corporate Applicant does not have any Fixed assets or not even have any Current assets or cash & cash equivalents to fund the CIRP costs and thus there seems no possibility to revive the Company, if the Corporate Applicant to be put in the CIRP for its revival/resolution. Moreover, in the due course of the hearing, the counsel appearing for the Corporate Applicant apprised this Adjudicating Authority about the fact that the Holding company namely SC Rulmenti SA of the Corporate Applicant is not in a position to extend any monetary/financial support to the Corporate Applicant rather the Holding company issued a demand letter dated 14<sup>th</sup> August 2022 for USD \$ 29,83,385 (Book Value Rs. 20,67,34,470/-) against external commercial borrowing from the Holding company as the Corporate Applicant owes the liability to its holding Company. Further, this Adjudicating Authority is of the view that initiating the CIRP against the Corporate Applicant is not in the interest of its stakeholders, because of the non-availability of the funds or assets to fund the CIRP costs. Therefore, without going into the merits of this case, as required under Section 10 of the Code, this Adjudicating Authority dismiss this application, as there is hardly any possibility of any Resolution plan likely to be received if the CIRP is initiated against the Corporate Applicant.

## 6. **Order**

In light of the above facts and circumstances, it is ordered as follows:-

- i.** The Application bearing IB-246/ND/2023 filed by the Corporate Applicant under Section 10 of the Code r/w Rule 7 of the Adjudicating Authority Rules in respect of M/s. URB

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India Bearing Factory and Trade Pvt. Ltd., the Corporate Applicant is **dismissed**.

- ii.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

No order as to costs.

**-SD-**

**(ATUL CHATURVEDI)  
MEMBER (TECHNICAL)**

**-SD-**

**(BACHU VENKAT BALARAM DAS)  
MEMBER (JUDICIAL)**