



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
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IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"You cannot change what you refuse to confront."

➤ **Hero Electric's revival bid collapses, liquidation ordered**

The National Company Law Tribunal (NCLT) has ordered the liquidation of Hero Electric Vehicles Pvt. Ltd. after efforts to revive the company through the insolvency resolution process failed to produce an approved plan. The order was passed by the NCLT's New Delhi Bench on March 3, 2026.

The tribunal noted that no resolution proposal received the required support from creditors within the timeline set under the Insolvency and Bankruptcy Code (IBC). As a result, the provisions related to liquidation under the code were triggered.

The insolvency proceedings against Hero Electric began after Metro Tyres Limited filed a petition under the IBC. Following the petition, the tribunal admitted the case and initiated the Corporate Insolvency Resolution Process (CIRP) on December 20, 2024.

During the insolvency process, the committee held multiple meetings to evaluate proposals from companies interested in taking over the business. Expressions of interest were invited from potential investors and several parties initially showed interest in acquiring the company. Eventually, two resolution plans were formally submitted for consideration.

However, when these proposals were put to vote before the Committee of Creditors, neither of them managed to secure the minimum approval required under the IBC framework. Under the law, a resolution plan must receive at least 66 percent voting share from creditors to be approved. The proposal that received the highest support managed to secure 47.66 percent of the votes, which fell short of the required threshold.

Source: *The Times of India*

Read Full news: [Hero Electric's revival bid collapses, liquidation ordered: Details - The Times of India](#)

➤ Reinforcing finality in insolvency regime

India's insolvency framework rests on a simple but powerful idea: commercial decisions should be taken by those who bear the financial risk, and the decisions must be implemented swiftly. A recent Supreme Court judgment in *Torrent Power Limited v. Ashish Arjunker Rathi* reinforces this foundational principle under the Insolvency and Bankruptcy Code (IBC), consolidating lines between judicial oversight and commercial decision-making.

"Predictability and finality are thus essential to maintaining a robust insolvency regime," the court said, emphasising that the IBC deliberately confines judicial review to strict statutory compliance under Sections 30(2) and 61(3), and so respecting these limits will preserve the IBC's economic sense and ensure insolvency remains a predictable, time-bound, and market-driven process.

At one level, the ruling dismisses challenges to an approved resolution plan. At another, it addresses a deeper and growing concern: the increasing tendency of unsuccessful bidders and other stakeholders to use litigation as a strategy to reopen concluded insolvency processes. By doing so, the court has restored balance to a system where delays and uncertainty had begun to undermine outcomes. The facts are straightforward. SKS Power Generation (Chhattisgarh) Limited (SKS Power) entered the corporate insolvency resolution process (CIRP), attracted multiple bidders, and ultimately saw its resolution plan approved unanimously by the Committee of Creditors (CoC). The plan was implemented, creditors were paid, and control shifted. Sarda Energy and Minerals Ltd had completed the acquisition of SKS Power in August 2024 under the CIRP of the IBC.

Source: *The Financial Express*

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