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IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH, COURT-III

IA- 4/2026
In
IB No. 397/ND/2024

(Under Section 33(1) Read with 60(5) of the Insolvency and Bankruptcy Code)

IN THE MATTER OF (IB No. 397/ND/2024):

M/S METRO TYRES LIMITED

... OPERATIONAL CREDITOR

VERSUS

M/s HERO ELECTRIC VEHICLES PVT. LTD.

... CORPORATE DEBTOR

AND IN THE MATTER OF (IA-4/2026):

Mr. BHOOPESH GUPTA

(Resolution Professional - M/s HERO ELECTRIC VEHICLES PVT. LTD.)

(IBBI Registration No – IBBI/IPA-001/IP-P01468/2018-2019/12271)

Office At:
8/28, 3rd Floor, Abdul Azad Road,

Karol Bagh, New Delhi- 110005

... APPLICANT

Order Pronounced On: 03.03.2026

CORAM:

SHRI BACHU VENKAT BALARAM DAS,
MEMBER (JUDICIAL)

SMT. REENA SINHA PURI,
MEMBER (TECHNICAL)

APPEARANCES:

For the Applicant : Mr. Vishal Hirawat & Abhishek Devgan, Advs

For the Respondents :

ORDER

PER: SMT. REENA SINHA PURI, MEMBER (TECHNICAL)

1. The present Application has been filed by Mr. Bhoopesh Gupta, the Resolution Professional under Section 33(1) read with Section 60(5) of the IBC[1] seeking initiation of the liquidation of M/s Hero Electric Vehicles Pvt Ltd, the Corporate Debtor (CD).

2. The Applicant seeks the following relief:

   1. *"Allow the present Application and pass an order directing the initiation of liquidation proceedings of the Corporate Debtor;*
   2. *Pass consequential orders pursuant to the order of liquidation, including appointment of a Liquidator in respect of the Corporate Debtor;*
   3. *Pass any other necessary order(s)/direction(s) as this Hon'ble Tribunal may deem fit and proper."*

3. The Applicant submits that the CIRP[2] in respect of the CD was initiated by this Adjudicating Authority vide order dated 20.12.2024, pursuant to an application filed under Section 9 of the IBC by the Operational Creditor (OC), M/s Metro Tyres Limited. The Applicant herein was appointed as the Interim Resolution Professional (IRP) and was thereafter confirmed as the Resolution Professional (RP) in accordance with law.

4. Pursuant to the initiation of the CIRP, the RP made a public announcement inviting claims in two newspapers, namely *Financial Express* (English – Delhi NCR Edition) and *Jansatta* (Hindi Edition). Thereafter, he prepared the list of creditors and constituted the Committee of Creditors (CoC). In compliance with Regulation 17 of the CIRP Regulations, the RP filed I.A. No. 360/2025

[1] Insolvency and Bankruptcy Code, 2016
[2] Corporate Insolvency Resolution Process

before this Adjudicating Authority placing on record the list of creditors and the report pertaining to constitution of the CoC, which was kept on record vide order dated 23.01.2025. Subsequently, upon receipt of additional claims, including claims from two Financial Creditors (FC), the CoC was reconstituted on 03.03.2025 and the RP thereafter filed I.A. No. 1189/2025 placing on record the updated list of creditors and the report pertaining to re-constitution of the CoC, which was taken on record vide order dated 13.03.2025. The re-constituted CoC[3] comprises of the following Financial Creditors:

S. No.	Name of Member of CoC	Category of FC	Amount of Admitted Claim	Percentage of Voting Shares
1	Bank of Baroda	Secured	55,35,56,737	39.70%
2	Kotak Mahindra Bank Ltd.	Secured	53,95,640	0.39%
3	IDFC First Bank Ltd.	Secured	9,42,87,839	6.76%
4	Karnation Fund acting through Mitcon Credentia Trusteeship Services Limited	Secured	8,60,61,602	6.17%
5	South Indian Bank Ltd	Secured	17,61,93,034	12.64%
6	SLK Software Pvt. Ltd.	Unsecured	47,87,19,195	34.34%

5. The RP convened the first meeting of the CoC on 22.01.2025, pursuant to its constitution, wherein the agenda for confirmation of the IRP as the RP was approved. The said decision was placed before this Adjudicating Authority

[3] Para 6 of the IA- 4/2026

and taken on record vide order dated 12.02.2025. Thereafter, the second CoC meeting was held on 14.02.2025, in which the eligibility criteria for Prospective Resolution Applicants (PRAs) and timelines for invitation of Resolution Plans were approved.

6. Pursuant thereto, Form-G dated 18.02.2025 inviting Expressions of Interest (EOIs) was issued and published in *Financial Express* (English), *Jansatta* (Hindi), and on the IBBI portal, with 14.03.2025 as the last date for submission. After due diligence, nine EOIs were included in the provisional list of PRAs issued on 24.03.2025, followed by issuance of the final list on 07.04.2025.

7. In the third CoC meeting held on 26.03.2025, the RP informed the CoC that, in compliance with Regulation 35A, certain transactions of the CD appeared to be avoidable/fraudulent, and M/s JTST & Co. LLP was appointed as Transaction Auditor. Based on the Transaction Audit Report and examination of records, the RP issued a Determination Report dated 04.08.2025 identifying certain transactions as fraudulent under Section 66(1) of the Code and filed I.A. No. 3950/2025, which is presently pending adjudication.

8. During the first round of the resolution process, only one resolution plan was received by 13.05.2025 and was opened in the fourth CoC meeting. In the fifth CoC meeting, the CoC resolved to annul the earlier process, re-issue Form-G, and seek a 90-day extension, which was granted by this Adjudicating Authority vide order dated 12.06.2025.

9. Pursuant thereto, a fresh Form-G was issued, pursuant to which three EOIs were received and shortlisted. The Request for Resolution Plan (RFRP) was approved in the sixth CoC meeting, and by 11.08.2025, two resolution plans were received and placed before the CoC in the seventh meeting. In the eighth CoC meeting, queries were raised, compliance under Section 29A was confirmed, and, as the CIRP period was nearing expiry, a further 60-day extension was sought and granted vide order dated 24.09.2025.

10. Negotiations were conducted in the ninth and tenth CoC meetings, revised plans were submitted, and both were found feasible and viable. Owing to time constraints, the CoC sought another 60-day extension, which was granted vide order dated 20.11.2025. Thereafter, in the eleventh CoC meeting, both resolution plans were put to e-voting but failed to secure the requisite 66% voting share, with the highest-voted plan receiving only 47.66% support.

11. In terms of Regulation 39(3B), the highest-voted plan was again placed for voting in the fourteenth CoC meeting, but once again failed to achieve the statutory majority. A further 30-day extension was thereafter sought and granted vide order dated 21.01.2026. In the fifteenth CoC meeting, liquidation was proposed but did not secure 66% votes. In the sixteenth CoC meeting, while certain cost-related resolutions were approved upon reconsideration of a belated vote, neither approval of a resolution plan nor liquidation could obtain the requisite voting majority.

12. At present, the CoC stands completely deadlocked, with approximately 50% of the voting share supporting approval of a resolution plan and the remaining members favouring liquidation. Since neither course of action has attained the mandatory 66% majority, the decision-making process has reached a complete impasse. The CIRP period is expiring on 13.02.2026, no fresh Form-G has been approved for issuance, and no further extension has been resolved upon by the CoC.

13. In these circumstances, the RP submits that the present case squarely falls within the ambit of Section 33(1) of the Code, as no resolution plan has been approved within the prescribed CIRP period. Continuation of the CIRP would serve no useful purpose and would only result in further delay and erosion of the value of the CD.

14. Having considered the submissions of the RP and the material placed on record, this Adjudicating Authority notes that the statutory trigger under Section 33(1)(a) of the IBC is the non-approval of a resolution plan within the

prescribed CIRP period. In the present case, despite multiple rounds of Form-G, receipt of resolution plans, negotiations, and re-voting under Regulation 39(3B), no plan secured the requisite 66% voting share, and the CIRP period, including all extensions, expired on 13.02.2026 without any approved resolution plan being placed before this Adjudicating Authority. It is well settled that a separate resolution of the CoC approving liquidation by 66% voting share is not a pre-condition for ordering liquidation under Section 33(1)(a) once the CIRP period has so expired[4]. In these circumstances, any further continuation of the CIRP would serve no useful purpose and would only perpetuate a deadlock, thereby defeating the time-bound object of the IBC.

15. Accordingly, this Adjudicating Authority orders liquidation of the Corporate Debtor, M/s Hero Electric Vehicles Pvt Ltd in terms of Section 33(1)(a) read with Section 60(5) of the IBC. The IA. No. 4/2026 is allowed.

16. In view of the liquidation order, all pending Interlocutory Applications (I.A.-2185/2025, 2965/2025, 2984/2025, 3878/2025, 5437/2025, 12/2026, 221/2026, 785/2026, 1180/2025), seeking admission of claim and condonation of delay in submitting claim to the IRP/RP become infructuous. However, it will be open to the Applicants/Claimants to submit their claims before the Liquidator in terms the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, particularly Regulations 16 to 20 thereof. Accordingly, the aforesaid Interlocutory Applications stand disposed of.

ORDER:

17. Liquidation of the Corporate Debtor shall commence forthwith in terms of Section 33(1)(a) of the IBC.

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[4] IB-166/HDB/2019 - State bank of India vs. M/s. Suryajyoti Spinning Mills Limited; IA-4592/2022 in IB-619(ND)/2019 - Intec Capital Limited Vs M/s. Jagtar & Son Hydraulics Private Limited

18. The Insolvency and Bankruptcy Board of India (IBBI), vide Circular No. Liq-12011/214/2023-IBBI/840 dated 18.07.2023, issued in exercise of powers under Section 34(4)(b) of the Code, has recommended that, in cases where liquidation is ordered, an Insolvency Professional other than the Resolution Professional/Interim Resolution Professional may be appointed as the Liquidator, from the panel maintained by the IBBI.

19. In view thereof, this Adjudicating Authority hereby appoints Mr. Lekhraj Bajaj Insolvency Professional, from the panel of Resolution Professionals maintained by the IBBI, as the Liquidator of the Corporate Debtor, M/s Hero Electric Vehicles Pvt Ltd. The particulars of the Liquidator are as under:

Registration No.	:	IBBI/IPA-002/IP-N00039/2016-2017/10078
Address	:	107, Agarwal Prestige Mall, Adjoining to M2K Pitampura, New Delhi, National Capital Territory of Delhi , 110034
Contact No.	:	9810109335
E-mail	:	lekhrajbajaj@rediffmail.com

20. The appointed Liquidator shall submit a valid Authorization for Assignment, along with written consent in Form-2 and a copy of the Registration Certificate, within three (3) days from the date of pronouncement of this order.

21. Mr. Bhoopesh Gupta, the Resolution Professional of the Corporate Debtor, is hereby relieved from his assignment and is directed to hand over forthwith all records, documents, and control of the Corporate Debtor to the newly appointed Liquidator.

22. The Liquidator shall be entitled to charge fees for conduct of the liquidation process in accordance with the fee structure prescribed by the IBBI, which shall form part of the liquidation cost and be paid out of the liquidation estate in accordance with Section 53 of the IBC.

23. The Liquidator shall initiate and conduct the liquidation process strictly in accordance with Chapter III of Part II of the IBC read with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

24. The Liquidator shall serve a copy of this order upon all concerned statutory and governmental authorities, including but not limited to the Income Tax Department, GST authorities, VAT authorities, and such other departments as may have claims against the Corporate Debtor, to ensure timely intimation of the liquidation order.

25. In In terms of Section 34(2) of the IBC, all powers of the Board of Directors and key managerial personnel of the Corporate Debtor shall stand ceased, and shall henceforth vest in the Liquidator.

26. The personnel of the Corporate Debtor are directed to extend all assistance and cooperation to the Liquidator, as required under Section 19 of the IBC, for effective conduct of the liquidation process.

27. The moratorium declared under Section 14 of the IBC shall cease to have effect from the date of this order.

28. A fresh moratorium under Section 33(5) of the IBC shall commence, whereunder no suit or other legal proceeding shall be instituted by or against the Corporate Debtor, save and except as provided under the proviso thereto, including institution of proceedings by the Liquidator with prior approval of this Adjudicating Authority.

29. The Liquidator shall continue to investigate the financial affairs of the Corporate Debtor in accordance with Section 35(1) of the IBC.

30. The Liquidator shall also pursue and prosecute all pending applications and proceedings, including proceedings for recovery of dues and avoidance of transactions, in accordance with law.

राष्ट्रीय कम्पनी विधि अधिकरण / National Company Law Tribunal / सत्यमेव जयते / नई दिल्ली बेंच / New Delhi Bench

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31. The Liquidator shall keep in view the revised Regulation 32 of the Liquidation Process Regulations, 2025, notified in 14th October 2025.

32. The Liquidator shall submit a Preliminary Report to this Adjudicating Authority within seventy-five (75) days from the liquidation commencement date, in terms of Regulation 13 of the Liquidation Process Regulations.

33. The Registry is directed to forward a copy of this order within three (3) days to the Registrar of Companies, NCT of Delhi & Haryana, who shall take necessary steps in accordance with law.

34. The Registry shall also forward a copy of this order to the Insolvency and Bankruptcy Board of India for its record.

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

Sd/-

(REENA SINHA PURI)
MEMBER (TECHNICAL)

Sd/-

(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)

राष्ट्रीय कम्पनी विधि अधिकरण
National Company Law Tribunal
सत्यमेव जयते
नई दिल्ली बैंच
New Delhi Bench

05.03.2026

Deputy Registrar
National Company Law Tribunal
CGO Complex New Delhi-110003