

Lesson 18
GROUP INSOLVENCY
Case Laws

Sr. No.	Case laws	Topic	Takeaway
1	LIC v. Escorts (SC)	Lifting of corporate veil	It is neither necessary nor desirable to enumerate the classes of cases where lifting the veil is permissible, since that must necessarily depend on the relevant statutory or other provisions, the object sought to be achieved, the impugned conduct, the involvement of the element of the public interest, the effect on parties who may be affected etc.
2	Delhi Development Authority v. Skipper Construction (SC)	Lifting of corporate veil	when the corporate character is employed for the purpose of committing illegality or for defrauding others, the court would ignore the corporate character and will look at the reality behind the corporate veil
3	State Bank of India & Anr. v. Videocon Industries Ltd. & Ors (NCLT)	Consolidation of insolvency proceedings	The insolvency proceedings of 13 out of 15 companies belonging to the same group were ordered to be consolidated based on the some set of factors such as common control, common directors etc.
4	Venugopal Dhoot v. State Bank of India & Ors. (NCLT)	Consolidation of insolvency proceedings	NCLT ordered that all the matters regarding the insolvency resolution processes of different companies in a group be dealt with by the same bench of the NCLT for avoiding conflicting orders and facilitating the hearing of these matters.
5	Chitra Sharma v. Union of India (SC)	Group insolvency	where homebuyers had entered into contracts with both Jaypee Infratech Ltd.(company going through CIRP) and its parent company Jai Prakash Associates Ltd., the SC ordered that the parent company which was not subject to the insolvency proceedings deposit a sum of INR 2000 crores before the court.
6	Edelweiss Asset Reconstruction Company Limited v. Sachet Infrastructure Pvt. Ltd. & Ors (NCLAT)	Group insolvency	The AA held that “group insolvency proceedings were required to be initiated” against five companies that had been working as a joint consortium to develop a residential plotted colony under the guidance of same ‘Resolution Professional.
7	Bikram Chatterji v. Union of India (SC)	Group insolvency (Writ petition by homebuyers)	SC ordered that the properties of all forty group companies in the Amrapali group be attached and the bank accounts of all companies and their directors be frozen for protecting interest homebuyers.