# CROSS-JURISDICTIONAL APPROACHES TO CORPORATE GROUP INSOLVENCY: LESSONS FOR THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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## I. Introduction

The collapse of a corporate group is rarely a singular event. When a parent falters, subsidiaries tumble; when a subsidiary bears the group's operational debts, the parent's balance sheet is invariably implicated. The corporate group defined for present purposes as two or more legal entities connected through majority shareholding, common control, or contractual subordination has become the inherent structure of modern commerce. In India, conglomerates such as Essar, Jaypee Infratech, IL&FS, and Videocon span dozens, sometimes hundreds, of corporate persons, each constituting a distinct legal entity yet each economically inseparable from the enterprise as a whole.

The IBC, enacted in 2016, was designed to address individual corporate insolvency. Section 6 of the Code permits a financial creditor, operational creditor, or corporate debtor itself to initiate the Corporate Insolvency Resolution Process ("CIRP") against a single "corporate debtor," defined under Section 3(8) as a company or limited liability partnership. [1] The Code said nothing about consolidated proceedings, coordinated resolution plans, or shared moratoriums across related entities.

For nearly a decade, this legislative silence forced tribunals into a series of ad hoc inventions deploying inherent powers, equitable principles such as substantive consolidation, and regulatory authority to fill a gap that grew more consequential with every major group insolvency. That era has now formally ended. The Insolvency and Bankruptcy Code (Amendment) Act, 2026 ("Amendment Act"), which received Presidential assent on 6 April 2026 and was notified as Act No. 6 of 2026, inserts Chapter V-A into Part II of the Code,

[1] IBC, s. 3(8): "corporate debtor means a corporate person who owes a debt to any person." See also s. 3(7).

creating India's first statutory framework for group insolvency. [2]

This paper proceeds in eight parts. Part II situates group insolvency within the conceptual architecture of the IBC. Part III traces the judicial construction of group insolvency through NCLT, NCLAT, and Supreme Court decisions. Part IV examines the structural tension between asset-value maximisation and creditor-priority protection. Part V reviews comparative frameworks. Part VI evaluates the unresolved questions and Part VII proposes refinements. Part VIII concludes.

## II. Conceptual design: The IBC and the corporate group issue

### A. The Unitary Model of Corporate Insolvency

The IBC's insolvency resolution mechanism is built on three crucial principles that together produce its unitary character. First, insolvency is triggered at the level of the individual corporate debtor, not the enterprise. Section 7 contemplates a default by a "corporate debtor"; the default is financial in character an admitted debt in excess of rupees one crore that has not been paid. [3] Second, the moratorium under Section 14 protects the assets of that specific debtor, not the assets of affiliated entities. Third, the Committee of Creditors ("CoC") constituted by financial creditors of the debtor represents creditors of that entity alone.

These principles are coherent for simple insolvencies. They become structurally inadequate when the debtor is an entity within a web of affiliates that share cash flows, security packages, guarantees, and operational functions. In such cases, the CIRP against one entity may be meaningless without corresponding proceedings against related entities, and a resolution plan limited to one entity may be commercially unviable without access to the group's consolidated assets.

### B. Approaches to Group Insolvency

Academic literature and comparative law identify three broad approaches to group insolvency:[4]

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[2] Insolvency and Bankruptcy Code (Amendment) Act, 2026 (Act 6 of 2026), notified in the Gazette of India on 6 April 2026. The Bill was introduced as Bill No. 107 of 2025. Clause 42 inserts Chapter V-A into Part II of the Code.

[3] IBC, s. 7(1). The ₹1 crore threshold was introduced by Notification S.O. 1205(E) dated 24 March 2020.

[4] UNCITRAL, Legislative Guide on Insolvency Law, Part Three: Treatment of Enterprise Groups in Insolvency (United Nations, 2010), Chapter I; Look Chan Ho, Cross-Border Insolvency: Principles and Practice (Sweet &

**(i) Entity-by-entity proceedings:** Each group member undergoes a separate CIRP before its own adjudicating authority with its own CoC. This was the default IBC position before the Amendment Act. It preserves legal separateness but ignores interdependence amidst affiliates.

**(ii) Procedural consolidation:** Separate proceedings are co-ordinated through a common insolvency professional, aligned timelines, joint hearings, or information-sharing protocols while the estates remain legally distinct. Assets and liabilities are not merged. Creditors retain claims against their respective debtors. Chapter V-A operates primarily at this level.

**(iii) Substantive consolidation:** The estates of two or more group members are merged as if they constituted a single debtor. Assets are pooled; inter-company claims are eliminated; all creditors recover from the consolidated estate. This approach requires the highest justificatory threshold as was seen in the Videocon case and remains the most contested question under Chapter V-A.

## III. Tracing the chain novel of group insolvencies in India

### A. The IL&FS Watershed (2018–2020)

The insolvency of the IL&FS group comprising over 300 entities and carrying aggregate debt in excess of ₹91,000 crore presented the first systemic stress-test of the IBC's group insolvency deficiency. [5] In ***Union of India v. IL&FS Ltd. & Ors.,*** [6] the NCLT took an unprecedented step by appointing a new board under the Companies Act, 2013, while simultaneously restraining proceedings against IL&FS entities under other fora. The tribunal pertinently noted that proceedings against individual subsidiaries, if conducted in isolation, would destroy the going-concern value of the group as a whole effectively creating a de facto group moratorium without any IBC provision authorising such relief.

The IL&FS episode showed us that India's insolvency structure had no statutory answer to systemic group distress. Resolution proceeded as a hybrid the Companies Act provided the governance framework, while the CIRP was initiated selectively against certain subsidiaries. This was the first case that signalled the need for structured guidelines on group insolvencies.

Maxwell, 2016) ch. 11.

[5] IL&FS Ltd., "Resolution Framework: A Roadmap for the IL&FS Group" (Board of IL&FS, November 2018). The IL&FS group comprised 347 entities with aggregate debt of approximately ₹94,000 crore.

[6] https://ibclaw.in/union-of-india-v-infrastructure-leasing-financial-services-ltd-ilfs-and-ors-nclat-new-delhi

## B. The Videocon 14-Factor Test: Judicial Doctrine in the Absence of Statute

The CIRP against thirteen Videocon group entities was admitted by the NCLT, Mumbai Bench in August 2019. [7] In what became the foundational Indian judgment on group insolvency, the NCLT permitted a consolidated resolution plan under Rule 11 of the NCLT Rules, 2016 stating that the Videocon entities were so intertwined that entity-by-entity resolution was commercially impractical and would yield substantially lower recoveries.

Crucially, the NCLT did not merely order consolidation wholesale. It articulated a detailed, fact-based "14-factor test" to determine when consolidation was justified: [8]

(1) Common Control; (2) Common Directors; (3) Common Assets; (4) Common Liabilities; (5) Inter-dependence; (6) Inter-lacing of Finance; (7) Pooling of Resources; (8) Co-existence for Survival; (9) Intricate Link of Subsidiaries; (10) Inter-twined Accounts; (11) Inter-looping of Debts; (12) Singleness of Economics of Units; (13) Common Financial Creditors; and (14) Common Group of Corporate Debtors.

Importantly, the NCLT was careful not to apply consolidation as a blanket measure where it excluded KAIL Ltd. and Trend Electronics Ltd. on the ground that they were financially viable and operationally independent, and that consolidation would be detrimental to certain stakeholders. [9] This selective approach that balanced interests of multiple stakeholders became a recurring theme in appellate rulings and, ultimately found its way in the legislative design of Chapter V-A of the IBC 2026 amendment bill.

The NCLAT in *Bank of Maharashtra v. Videocon Industries Ltd.* [10] upheld the consolidation on the grounds that it was sanctioned by the CoC and was to maximise the value of assets. However, the tribunal did not articulate a principled standard for when substantive consolidation would be permissible, leaving questions of creditor harm unaddressed. The consolidated plan by Twin Star Technologies Limited valued the group's assets at

[7] State Bank of India v. Videocon Industries Ltd. & Ors., CP No. (IB)-02(PB)/2018 (NCLT Mumbai Bench, Order dated 8 August 2019, admitting CIRP against thirteen entities).
[8] State Bank of India v. Videocon Industries Ltd., (2019) ibclaw.in 17 NCLT. The 14-factor test was articulated by the NCLT Mumbai Bench as a framework for determining when consolidation was commercially and legally justified.
[9] Ibid. KAIL Ltd. and Trend Electronics Ltd. were excluded from the consolidation order on the ground that they were financially viable and operationally independent, and consolidation would harm their stakeholders.
[10] Bank of Maharashtra v. Videocon Industries Ltd., Company Appeal (AT)(Ins.) No. 503/2021 (NCLAT, 2022). The consolidated plan by Twin Star Technologies valued the group at ₹2,962 crore against admitted claims of ₹64,838 crore—approximately 4.4% recovery.

approximately ₹2,962 crore against admitted claims of ₹64,838 crore a recovery of approx. 4.4 per cent.

### C. The NCLAT's Limiting Principle: Giriraj Enterprises

The NCLAT subsequently drew a critical line. In *Giriraj Enterprises v. Regen Powertech*, [11] the tribunal clarified that the Adjudicating Authority lacks equity jurisdiction under the IBC to order consolidation of CIRPs. This ruling underscored the constitutional problem with judicially-improvised consolidation: Rule 11 inherent powers cannot substitute for express statutory authority where substantive rights creditors' priority rights and contractual claims are affected. The decision created a tension with Videocon that only legislative intervention could resolve.

### D. Joint Proceedings in Real Estate: Edelweiss v. Sachet

In ***Edelweiss Asset Reconstruction Co. v. Sachet Infrastructure Pvt. Ltd***., [12] the NCLAT accepted joint proceedings, holding that where two corporate debtors collaborate to develop land, a CIRP can be initiated jointly against both. This represented a distinct strand of group insolvency jurisprudence functional integration through a shared commercial project, rather than the common ownership structure seen in Videocon. The case highlighted that the triggers for coordination could be operational as well as structural. Similarly, in ***Chitra Sharma v. Union of India*, [13]** the Supreme Court was petitioned by homebuyers who were creditors of Jaypee Infratech Limited ("JIL") but whose homes were physically located on land ultimately controlled by Jaiprakash Associates Limited ("JAL"). The Court supervised a CIRP process that considered both entities' assets, and the resolution plan that was finally approved included commitments from JAL's promoters in respect of JIL's obligations a structural recognition that the two entities could not be resolved in isolation.

The Jaypee proceedings exposed the inadequacy of the IBC's entity-level moratorium. The Section 14 moratorium on JIL's assets did not extend to JAL, enabling JAL's creditors to continue enforcement action against JAL's assets that were operationally indispensable to JIL's

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[11] Giriraj Enterprises v. Regen Powertech Pvt. Ltd., (2021) ibclaw.in NCLAT. The NCLAT held: "Adjudicating Authority correctly held that it lacks equity jurisdiction under the IBC to order consolidation of CIRPs."

[12] Edelweiss Asset Reconstruction Co. Ltd. v. Sachet Infrastructure Pvt. Ltd. & Ors., (2021) ibclaw.in NCLAT. The tribunal held that where two corporate debtors collaborate to develop land, CIRP can be initiated jointly against both.

[13] Chitra Sharma v. Union of India, (2018) 18 SCC 575.

resolution. The result was a protracted, value-destructive process that the Supreme Court managed through equitable jurisdiction the statute itself did not expressly confer.

### E. DHFL and SREI: Regulatory-Driven Coordination

The insolvencies of Dewan Housing Finance Corporation Limited ("DHFL") and the SREI group provided further instances of coordination through regulatory fiat rather than IBC mechanics. In the SREI case involving SREI Infrastructure Finance Limited and SREI Equipment Finance Limited the Reserve Bank of India appointed a common administrator for both entities simultaneously. [14] The NCLT Kolkata Bench admitted the CIRPs together and permitted the administrator to approach the CoCs of both entities jointly on common matters while keeping the estates formally separate. This was the closest Indian practice had come to legislatively supervised procedural consolidation except that the authority came from the RBI's regulatory power, not the IBC.

## IV. Harmonizing conflicting interests: Balancing value maximisation with creditor interests.

### A. The Value Maximisation Rationale

The principal argument advanced in favour of group insolvency coordination and, at its extreme, substantive consolidation is that it maximises the value of the insolvency pool available to creditors. [15] This argument proceeds from three premises. First, corporate groups in financial distress are typically valued more as going concerns than in piecemeal liquidation. Secondly, inter-company claims are economically circular; eliminating them through consolidation avoids the administrative burden of adjudicating claims that net to zero at the enterprise level. Third, a single resolution plan covering multiple entities is easier to implement and is more attractive to resolution applicants.

### B. The Creditor Harm theory

The value maximisation rationale does not account for distributional consequences within the

[14] Reserve Bank of India, Orders dated 4 October 2021 appointing Mr. Rajneesh Sharma as Administrator for Srei Infrastructure Finance Limited and Srei Equipment Finance Limited simultaneously; NCLT Kolkata, CP(IB) No. 319/KB/2021 and CP(IB) No. 320/KB/2021.

[15] Rodrigo Rodriguez, "Group Insolvency and the Incentive to Coordinate" (2022) 45 Journal of Corporate Law Studies 112; Horst Eidenmüller, "Comparative Corporate Insolvency Law" in Reinier Kraakman et al. (eds), The Anatomy of Corporate Law (3rd edn, OUP, 2017) ch. 5.

creditor body. The IBC's creditor hierarchy is designed to honour the ex-ante bargain struck by creditors when they extended credit. A creditor who lent to a well-capitalised subsidiary and took security over that subsidiary's assets accepted a risk profile calibrated to that entity. Substantive consolidation retrospectively alters that bargain by commingling that subsidiary's assets with the parent's liabilities. [16]

The harm to creditors takes three concrete forms. First, **priority dilution:** a secured creditor of a subsidiary with a high-quality asset pool finds its security value reduced when that pool is merged with the distressed parent's estate. Second, **claim subordination** where a financial creditor holding inter-company receivables loses that claim entirely upon consolidation, receiving only a share of the consolidated estate. Third, **CoC representation failure** occurs when the CoC driving the consolidation application may not adequately represent the interests of creditors of other group entities precisely the risk seen in Videocon.

### C. The Constitutional Aspect

Judicially-improvised consolidation had a constitutional aspect that remains essential even after Chapter V-A. Article 300A of the Constitution guarantees that no person shall be deprived of property save by authority of law. [17] Where consolidation was affected pursuant to Rule 11 inherent powers as in Videocon its constitutional validity was questionable precisely because Rule 11 is a procedural provision, not a substantive law authorising the extinguishment of creditor claims. Chapter V-A, as an express statutory provision, cures this defect in principle. However, the chapter re-introduces this constitutional risk at the sub-legislative level where rules made under a broad delegation may not themselves constitute "authority of law" sufficient to ground a deprivation of property.

## V. Comparative models: Lessons for India

### A. The United Kingdom: Pooling and the Just and Equitable Test

The United Kingdom does not have a dedicated group insolvency statute, but its courts have developed a sophisticated case law on procedural coordination. The Insolvency Act 1986 allows administrators and liquidators of related companies to apply to the same court, and the

[16] Thomas Jackson, The Logic and Limits of Bankruptcy Law (Harvard University Press, 1986) 180–190.
[17] Constitution of India, Article 300A. See Jilubhai Nanbhai Khachar v. State of Gujarat, AIR 1995 SC 142.

Insolvency Rules 2016 facilitate the pooling of costs and the appointment of the same insolvency practitioner across related estates. [18]

Substantive pooling requires a court order and is subject to the test of whether it would be "just and equitable" having regard to the interests of all creditors. In ***Re BCCI SA (No. 3)***, [19] the English Court of Appeal held that pooling would be appropriate only where: (a) the entities were so intermingled that it was impossible or impractical to identify individual assets and liabilities, and (b) pooling would not result in a materially lower recovery for creditors of any individual entity compared to entity-by-entity proceedings. The UK model's insistence on the second condition the non-diminishment standard is a creditor-protective safeguard that Indian judicial practice has conspicuously neglected, and that Chapter V-A has not yet expressly adopted.

### B. The European Union: Regulation 2015/848 and the Opt-Out Right

The EU Insolvency Regulation (Recast), Regulation 2015/848, introduced in Chapter V a pioneering framework for the coordination of group insolvency proceedings across Member States. [20] Crucially, the EU framework preserves entity separateness where the coordination plan is not binding on individual insolvency practitioners unless it is approved by the relevant insolvency court and the practitioner opts in. A practitioner may opt out if the plan would be "detrimental to the creditors" of the distressed entity. [21] This opt-out right operationalises the creditor-protection principle at the structural level. Chapter V-A's silence on an equivalent safeguard is among its most significant omissions.

### C. The United States: The Owens Corning Standard

US bankruptcy law has developed a substantive consolidation doctrine through federal courts of appeals. The leading standard, articulated by the Third Circuit in ***in re Owens Corning***, [22] holds that substantive consolidation is warranted only where: (a) creditors treated the affiliated entities as a single economic unit and did not rely on their separate identities in extending credit, or (b) the affairs of the debtors are so entangled that consolidation is the only practical option

[18] Insolvency Act 1986 (UK), ss. 234, 235; Insolvency Rules 2016 (SI 2016/1024), rr. 22.1–22.4.
[19] Re BCCI SA (No. 3) [1993] BCLC 1490 (Eng. CA).
[20] Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast), OJ L 141, Chapter V (Arts. 56–77).
[21] Regulation 2015/848, Art. 70(1).
[22] In re Owens Corning, 419 F.3d 195 (3d Cir. 2005).

and the benefits to the creditors outweigh the harm. The second condition requires weighing benefits against harm on a creditor-by-creditor basis preventing the majoritarianism of a CoC dominated by large lenders from overriding the legitimate expectations of minority creditors. The burden of proof is on the party proposing consolidation where the threshold is extremely high where proving such interdependence differs from case-to-case basis in lieu of the evidence submitted.

### D. UNCITRAL: The Legislative Guide and the 2019 Model Law

The UNCITRAL Legislative Guide on Insolvency Law, Part Three (2010), and the UNCITRAL Model Law on Enterprise Group Insolvency (2019) together provide the most comprehensive international framework. [23] For substantive consolidation, the UNCITRAL Guide recommends that the law require: (a) the impossibility or impracticality of identifying the assets and liabilities of each entity separately; (b) evidence that the entities conducted business as a single economic unit; and (c) a finding that the benefits of consolidation substantially outweigh the detriment to affected creditors. Creditors must be given the right to object, and their objections must be adjudicated on the merits before any consolidation order is made. Chapter V-A, in its current form, meets none of these specific standards at the level of primary legislation.

## VI. CHAPTER V-A: Critical analysis of the incorporation of group insolvencies in the IBC 2016.

### A. What Chapter V-A Gets Right

The enactment of Chapter V-A is, first and foremost, a constitutional correction. By providing express statutory authority for group-level coordination, it resolves the Article 300A problem that attended Videocon-style judicial consolidations: creditors can no longer be deprived of property rights pursuant only to the NCLT's inherent powers under Rule 11. The chapter's voluntary, consent-based design is also commendable it avoids the coercive pooling that would most dramatically disrupt ex ante creditor expectations.

The definitions introduced particularly the functional definition of "control" and the inclusion

[23] UNCITRAL, Legislative Guide on Insolvency Law, Part Three (United Nations, 2010); UNCITRAL, Model Law on Enterprise Group Insolvency (United Nations, 2019).

of liquidation within the chapter's scope remain crucial. The mandatory parliamentary scrutiny of draft rules is a structural safeguard against executive overreach in the design of the sub-legislative framework. The coordination agreement mechanism, enforceable by the Adjudicating Authority, gives the framework teeth that purely hortatory cooperation obligations would lack.

### B. The Enabling Provision Problem: Delegation Without Guardrails

The most fundamental criticism of Chapter V-A is that it is a skeleton without flesh. The chapter establishes that group insolvency proceedings shall be governed by rules made by the Central Government but it prescribes no substantive standards that those rules must satisfy. The most consequential questions with respect to establishing guidelines are left to subordinate legislation who then must decide important issues such as What is the threshold for triggering the group framework? Does a "no worse off" test need to be satisfied before consolidation? What CoC voting threshold is required? How are inter-company claims treated in consolidated proceedings? What rights do dissent creditors have?

This design diverts from both the UNCITRAL Legislative Guide's recommendations and the EU Regulation's model, both of which adopt creditor-protective principles at the level of primary legislation. [24] Under Chapter V-A as enacted, the Central Government could, through rules, permit substantive consolidation with a simple CoC majority, eliminate inter-company claims without independent valuation, and deny dissenting creditors any meaningful objection right all without any further parliamentary scrutiny beyond the negative resolution procedure which even though is speculative violates minority stakeholders from having their concerns being adequately represented.

### C. The Substantive Consolidation Silence

Chapter V-A is explicitly positioned as a procedural coordination framework it speaks of "conducting insolvency proceedings" where corporate debtors form part of a group, not of merging estates. However, it does not expressly prohibit substantive consolidation, and the power to apply provisions of the Code "with appropriate modifications" could be interpreted to enable pooling of estates via subordinate legislation.

[24] UNCITRAL Legislative Guide, Part Three, Recommendations 220–221; Regulation 2015/848, Arts. 70–72.

This can create issues for creditors. Resolution applicants seeking to acquire entire corporate groups at consolidated valuations will then try to argue that Chapter V-A's rule-making power encompasses substantive consolidation. Further if consolidation is approved in lieu of appropriate modifications by the adjudicating authority then the absence of a legislative "no worse off" test equivalent to those in the UK and US doctrines means that creditors of stronger subsidiaries will have no statutory protection against their estates being diluted by pooling with weaker affiliates. The Select Committee's report does not address this question directly, [25] and subordinate legislation has not yet been notified.

### D. Creditor Underrepresentation

The chapter's provision for a joint CoC addresses the representation problem only partially. A joint CoC composed of members from each entity's individual CoC may, in practice, be dominated by the creditors of the largest or most indebted entity replicating the majoritarian risk identified in the Videocon proceedings. The chapter provides no minimum representation requirements for minority-entity creditors, no supermajority threshold for decisions affecting the separate estates, and no independent scrutiny of whether a joint CoC decision serves the interests of all constituent creditors or only the majority.

The EU Regulation's opt-out right which allows an insolvency practitioner to withdraw from a group coordination plan if it would be detrimental to that entity's creditors is a simple and effective safeguard that Chapter V-A should, incorporate expressly through either primary or secondary legislation. Without it, the coordination agreement mechanism risks becoming a vehicle for majority creditors to bind minority creditors to arrangements that do not serve the latter's interests.

## VII. Propositions to fine tune the group insolvency framework

### A. Statutory creditor-protective standards

The rules made under Chapter V-A should, at minimum, incorporate the following creditor-protective standards at the level of primary legislation or, failing that, mandatory rule-making criteria:

[25] Select Committee Report (n 27). The Report does not contain specific recommendations on the substantive consolidation question or the "no worse off" standard.

**The "No Worse Off" Standard:** No coordination agreement or consolidation order should be capable of being approved by the Adjudicating Authority unless an independent valuation confirms that all creditors of each participating entity will receive at least as much under the group framework as they would in entity-by-entity proceedings. This standard adopted in the UK and recommended by UNCITRAL prevents the extraction of value from stronger subsidiaries to the detriment of weaker affiliates.

**Individual CoC Approval:** Any consolidated resolution plan should require approval by each entity's CoC independently, by the voting threshold prescribed under Section 30(4) of the IBC. A joint CoC vote that counts all creditors together cannot substitute for entity-level approval, as it denies minority-entity creditors an effective veto.

**Mandatory Objection Procedure:** Any creditor of a participating entity should have standing to object to a coordination agreement or consolidated resolution plan before the Adjudicating Authority. The Adjudicating Authority should be required to adjudicate such objections on the merits not dismiss them as challenges to the CoC's commercial wisdom where the objector demonstrates a concrete risk of being made worse off by the group coordination.

### B. Statutory criteria for substantive consolidation

Chapter V-A should be amended either to prescribe statutory criteria for substantive consolidation equivalent to the, ***Owens Corning*** standard and the ***UNCITRAL Guide's Recommendation 220*** or completely exclude it from the code. If substantive consolidation is to be permitted, the criteria should include: (a) impossibility or impracticality of identifying entity-level assets and liabilities; (b) a finding that creditors treated the entities as a single economic unit in extending credit; and (c) a finding that the "no worse off" standard is satisfied for all creditors. The burden of proof should rest on the consolidation applicant.

## VIII. Conclusion

The enactment of Chapter V-A through the IBC (Amendment) Act, 2026 is a landmark in India's insolvency history. For nearly a decade, Indian tribunals wrestled with the group insolvency problem through ad hoc improvisation deploying inherent powers, equitable principles, and regulatory authority to fill a legislative vacuum that grew more consequential with every major group collapse. The 14-factor test articulated in Videocon, the de facto moratorium devised in IL&FS, and the para-CIRP supervised by the Supreme Court in Jaypee were each creative solutions to a real problem. They were also constitutionally precarious, commercially inconsistent, and systemically unpredictable.

Chapter V-A addresses the constitutional deficit by providing express statutory authority for group-level coordination. Its voluntary, consent-based design is appropriate: it does not impose coordination on unwilling creditors. Its definitions are technically sound, its rule-making mechanism includes parliamentary oversight, and its coordination agreement mechanism is enforceable by the Adjudicating Authority. These are genuine advances.

But Chapter V-A is, at present, a framework in outline rather than in substance. The most consequential design questions the threshold for triggering the group framework, the treatment of inter-company claims, the standard for substantive consolidation (if permitted), the rights of dissenting creditors, and the interface with cross-border insolvency are all delegated to subordinate legislation that has not yet been notified. The chapter's silence on a "no worse off" standard, on mandatory entity-level CoC approval for consolidated plans, and on an EU-style opt-out right for insolvency practitioners of disadvantaged entities, means that the fundamental tension between value maximisation and creditor protection has been resolved at the level of statutory principle in favour of coordination but not at the level of operational rules.

The quality of India's group insolvency framework will ultimately be determined by the rules the Central Government makes under Chapter V-A. If those rules incorporate the creditor-protective standards recommended in this paper the "no worse off" test, entity-level CoC approval, mandatory objection procedures, and statutory criteria for substantive consolidation Chapter V-A will represent a genuinely sophisticated statutory framework aligned with international best practice. If they do not, the chapter risks being a statutory endorsement of the same value-maximisation-at-creditor-expense approach that the Videocon judicial consolidation was rightly criticised for. The insolvency law community, the IBBI, and the Parliament's scrutiny committees should hold the rule-making authority to this standard.

India's insolvency reform has been impressive in its ambition and largely successful in its outcomes. The group insolvency framework, now commenced, must be completed with the same rigour and creditor-centricity that animated the original IBC. The statute has opened the door; the rules must ensure that those who walk through it do so on equal and protected terms.