

IBC Case Law Capsule

Number 277

(May 25, 2026)

State Bank of India vs. Venugopal Dhoot
Company Appeal (AT)(Ins) No. 299 of 2020
Date of NCLAT's Judgement: 14th May 2026

Facts of the Case: -

The dispute arose from the CIRP of Videocon Industries Limited (“VIL”) and its group companies, where a controversy emerged regarding inclusion of foreign oil and gas assets held through Videocon Oil Ventures Limited (“VOVL”) and its overseas subsidiaries as the assets of VIL and be included in its Information Memorandum (IM) to invite resolution plans. The respondent contended that these foreign assets formed part of the Videocon Group’s overall asset pool and ought to be included in the IM and resolution process of VIL + 12 group subsidiary companies. He relied on the interconnected nature of the Videocon entities and argued that exclusion of the foreign assets adversely affected value maximization. Earlier, the NCLT had accepted this contention, but operation of that order was stayed by the NCLAT.

Subsequently, resolution plans concerning VIL + 12 group companies and separate monetization processes relating to VOVL’s foreign oil and gas assets proceeded independently. The lenders and CoC consistently maintained that VOVL and the foreign subsidiaries were separate entities with distinct financing structures, security interests, and creditors, and therefore their assets could not form part of VIL’s CIRP. Aggrieved by the continuation of separate resolution structures and exclusion of the foreign assets from the CIRP of VIL + 12 group companies, the appellants pursued the present appeal before the NCLAT.

NCLAT’s Observations:

The NCLAT rejected the contention of the respondent that the foreign oil and gas assets held through VOVL, and its overseas subsidiaries should be included in the CIRP of VIL + 12 group companies. The Tribunal held that the issue had already been conclusively decided in earlier proceedings where identical prayers seeking inclusion of the foreign assets in the IM of VIL + 12 group companies had been rejected. It observed that the respondent was attempting to repeatedly reargue the same issues despite earlier adverse findings.

The Tribunal further noted that the lenders and CoC had consistently maintained that VOVL and the foreign subsidiaries were separate legal and economic entities with distinct financing structures, security interests, and creditors. Merely because certain creditors had filed claims against VIL as guarantor did not imply that assets of VOVL could form part of VIL’s CIRP. The NCLAT emphasized that the commercial wisdom of the CoC regarding treatment of assets, feasibility of resolution plans, and distribution mechanisms could not be interfered with by judicial interpretations. It also upheld the monetization structure and recognition of contractual rights such as BPRL’s Right of First Refusal, observing that CIRP cannot override pre-existing third-party contractual rights merely in the name of insolvency resolution.

Order/Judgment: In view of the facts and circumstances highlighted above, the batch of appeals filed by the appellant were allowed thereby upholding the commercial wisdom of the CoC for two separate CIRPs to be conducted for the companies.