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CORPORATE VEIL AND PARENT-SUBSIDIARY DYNAMICS: LEGAL PRECEDENTS AND CONTEMPORARY PERSPECTIVES

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ABSTRACT

In *Salomon v. Solomon co¹*, the corporate personhood theory was established. Salomon and Co. Limited liability protects parent firms and shareholders from being held accountable for the actions of its subsidiaries by giving businesses a distinct legal character. But in cases of deception, fraud, or misuse of corporate structures, courts have cut through the corporate curtain to hold parent businesses responsible. This study examines how courts in India and other countries have handled the conflict between limited responsibility and corporate accountability as it relates to the corporate veil theory and parent-subsidary liability.

The research explores many court cases, including *Vodafone International Holdings² B.V. and Life Insurance Corporation of India v. Escorts Ltd.³*, *Adams v. Cape Industries plc⁴* and *United States v. Bestfoods⁵*, to demonstrate the circumstances in which courts ignore corporate separateness. In order to highlight how corporate responsibility in group firms is changing, the study critically analyzes the situations in which the corporate veil is lifted.

Additionally, the study draws attention to the regulatory inadequacies in India's corporate framework and makes recommendations for changes to improve the legal clarity around parent-subsidary responsibility. This research offers suggestions for striking a balance between corporate independence and responsibility by contrasting the legal systems of the US and the UK. This will help to ensure that the notion of distinct legal personality is not used as a means of avoiding legal responsibilities.

Key words: *Limited Liability, Veil Piercing Doctrine, Corporate Accountability, Corporate*

1. *Salomon v. A. Salomon & Co. Ltd.*, [1897] AC 22 (HL).
2. *Vodafone International Holdings B.V. v. Union of India*, (2012) 6 SCC 613.
3. *Life Insurance Corporation of India v. Escorts Ltd.*, (1986) 1 SCC 264.
4. *Adams v. Cape Industries plc*, [1990] Ch 433 (CA).
5. *United States v. Bestfoods*, 524 U.S. 51 (1998).

Veil, and Parent-Subsidiary Liability.

INTRODUCTION

By creating a legal separation between a business and its owners, the corporate veil—a cornerstone of corporate law—ensures that the business is regarded as an independent legal entity. This theory was solidified in the famous case of *Salomon v. A. Salomon and Co. Ltd. (1897)*⁶, in which the House of Lords defended a company's autonomous corporate identity and shielded owners from personal culpability. Globally, corporate laws uphold this idea, such as India's Companies Act of 2013, which acknowledges that a business has rights, responsibilities, and liabilities that are different from those of its members once it is established. By allowing companies to operate as separate legal entities, the corporate veil promotes economic expansion and legal clarity. With its organized approach to corporate operations, it prevents directors and shareholders from being held personally liable for a company's debts. Nonetheless, this legal division is not unqualified. The idea of penetrating the corporate veil refers to the circumstances in which courts may decide to ignore this difference when the corporate structure is being abused. This theory allows for court involvement in cases where fraud, tax evasion, or other legal obligations are circumvented by using the distinct corporate personality. The corporate veil theory protects investors from excessive responsibility, which boosts company confidence, but it also presents problems when it's applied as a way to get out of financial and legal commitments.

One of the main benefits of the corporate veil is that it makes limited liability possible, which is essential for encouraging entrepreneurship, drawing in capital, and advancing economic stability. Limited liability makes sure that a company's owners or shareholders don't have to pay more than their original investment in it. In the case of financial difficulty, this idea encourages both individual and institutional investors to engage in enterprises without the fear of losing personal assets. From an economic standpoint, limited liability protects shareholders from undue exposure while giving companies the freedom to take on business risks. Additionally, it promotes corporate growth since businesses may incur debt and liabilities without having an adverse effect on the personal wealth of its owners. Although the goal of limited liability is to encourage economic activity, it may also be abused when businesses establish subsidiaries purely to transfer risks and responsibilities away from the parent

⁶ Supra Note 1.

company. Corporate groups may take use of subsidiaries' independent legal personalities in certain situations to shield the parent company from negative financial and legal outcomes, which raises questions about corporate responsibility. The abuse of this protection has resulted in situations where courts have stepped in to hold the controlling company responsible for the conduct of its subsidiaries in order to guarantee that justice is served.

When a bigger company (the parent) has a controlling stake in another firm (the subsidiary), this is known as a parent-subsidiary relationship. Effective risk management, liability segregation, and market expansion are all made possible by this type of structure, which is prevalent in corporate operations. Companies commonly create subsidiaries in India for strategic, operational, or regulatory reasons, guaranteeing adherence to industry-specific legislative requirements. Although subsidiaries are independent legal organizations, they are frequently governed and influenced by the parent business, which presents moral and legal dilemmas when liability concerns emerge. A major issue in corporate law is figuring out how much a parent firm may be held accountable for the activities of its subsidiaries, especially when those companies do illegal or immoral acts. Significant jurisprudence about the circumstances under which the corporate veil should be raised in parent-subsidiary relationships has resulted from courts across the world grappling with these problems. A key component of stopping the abuse of corporate structures is the piercing of the corporate veil theory, which makes sure that businesses cannot avoid their responsibilities by utilizing intricate ownership arrangements. In certain situations, judicial action is required to stop companies from utilizing subsidiaries as a defense against financial commitments, regulatory compliance, and other legal duties.

Preventing companies from misusing their legal independence is the justification for penetrating the corporate veil. where a subsidiary is only a front or alter ego for the parent business, or where there is fraud, tax evasion, or a breach of statutory responsibilities, courts usually pierce the corporate veil. In extraordinary situations, such as *Vodafone International Holdings v. Union of India (2012)*⁷, the Supreme Court considered whether corporation structure was a valid method of calculating tax obligations. In a similar vein, the court stressed in *Life Insurance Corporation of India v. Escorts Ltd. (1986)*⁸ that the corporate veil should not be ignored until it is clear that the corporation is being exploited to avoid legal duties. Cases

⁷ Supra Note 2.

⁸ Supra Note 3.

like *Chandler v. Cape plc (2012)*⁹ in the UK and *United States v. Bestfoods (1998)*¹⁰ in the US have established significant precedents on the circumstances in which a parent company has liability for the actions of its subsidiary. The dynamic character of corporate responsibility calls for a well-rounded strategy that upholds the corporate personality concept while making sure that legal frameworks aren't abused to the harm of interested parties. A clear legal framework for parent-subsidiary responsibility is necessary to preserve public interest and corporate accountability. In order to better understand the intricate link between corporate veil principles and parent-subsidiary responsibility, this article will analyze how Indian and international law have influenced the way that corporate misbehavior cases are handled when the corporate veil is lifted.

The legal framework regulating parent-subsidiary responsibility and corporate veil piercing will be examined in this essay. In order to identify significant judgments and guiding concepts that have influenced the doctrine, it looks at judicial trends in the US, UK, and India. The report also presents suggestions to improve India's legal approach to this matter and explores the ramifications of removing the corporate veil in corporate group structures. In order to address whether the current legal framework adequately deters corporate misconduct and provides adequate protection to stakeholders affected by the actions of corporate groups, this study critically evaluates the circumstances under which courts disregard corporate separateness. Thus, it hopes to contribute to the larger discourse on corporate accountability and regulatory oversight.

RESEARCH DESIGN

Research Problem

Determining how much a parent firm may be held accountable for the wrongdoing of its subsidiaries is one of the core problems in corporate law. However, the independent legal personality principle, as established in the case of *Salomon v. A. Salomon and Co. Ltd. (1897)*¹¹ In addition to being crucial for promoting investment and economic expansion, has been abused when corporate structures are employed to protect parent firms from liabilities. When subsidiaries commit tax evasion, labor rights violations, environmental violations, or fraud and the victims find it difficult to hold the more powerful parent corporation responsible,

⁹ *Chandler v. Cape plc*, [2012] EWCA Civ 525.

¹⁰ *Supra* Note 5.

¹¹ *Supra* Note 1.

this problem becomes very troubling. Legal ambiguity results from the uneven application of the notion of penetrating the corporate veil, which courts have devised to counter such abuses. The difficulty is in finding a middle ground between upholding the limited liability theory, which promotes economic growth, and making sure that corporate structures aren't abused to avoid moral and legal obligations. This study is to investigate the conditions under which courts lift the corporate veil, particularly in respect to parent-subsidary ties, and examine the ways in which various countries handle this matter.

B. Research Aims and Objectives

Critically examining the legal framework controlling parent-subsidary responsibility and corporate veil piercing is the main goal of this study. In order to ascertain whether a parent business should be held accountable for the conduct of its subsidiary, the research aims to investigate the legal precedents and guiding principles. The research's main objectives are as follows:

- to evaluate how the corporate veil is lifted in parent-subsidary relationships as governed by the law and the courts.
- to investigate important case legislation that hold parent businesses accountable for the wrongdoing of their subsidiaries in the US, UK, and India.
- to evaluate how well current legal frameworks handle corporate exploitation while maintaining limited liability's advantages.
- to make suggestions for improving Indian corporation law in order to give more precise rules regarding parent-subsidary liability.

C. Research Questions

The following are the main questions this paper aims to address:

- In what situations do courts pierce the corporate veil when parent-subsidary responsibility is at stake?
- How are parent-subsidary responsibility policies handled differently in different countries, especially in the US, UK, and India?
- What court rulings in India and other countries have influenced the corporate veil piercing doctrine?
- Regarding corporate veil piercing in parent-subsidary relationships, what changes may be made to the Indian legal system?

D. Research Limitations and Scope

The legal structure in India that governs parent-subsidary responsibility and the corporate veil is the main topic of this study, which also compares US and UK court decisions. To find out under what situations courts hold parent firms accountable for the activities of their subsidiaries, the study looks at pertinent statutes, case laws, and judicial interpretations. By providing a more comprehensive knowledge of how various countries handle comparable issues, the comparative study may be able to teach Indian corporation law some valuable lessons.

There are certain restrictions on the research, though. Primarily doctrinal in nature, it is based on academic study, case law, and legal texts rather than actual facts. Quantitative or field-based research, such as speaking with business leaders or attorneys, is not included. Furthermore, even though the study looks at international legal frameworks, it does not fully analyze every jurisdiction; instead, it chooses the US, UK, and India as examples. The study offers a thorough legal analysis of the corporate veil piercing theory in parent-subsidary relationships and its consequences for corporate responsibility, notwithstanding these drawbacks.

ANALYSIS

A key idea in corporate law is the "corporate veil," which creates a legal separation between a company and its shareholders. Because of this doctrine's limited liability protection, shareholders are shielded from being held personally responsible for the debts and liabilities of the business. Courts can, however, lift the corporate veil in situations involving fraud, unethical behavior, or where a subsidiary is being utilized as a mere tool of its parent business. This article examines the legal structure of different jurisdictions, the idea of the corporate veil, and the situations in which parent firms might be held accountable for the deeds of their subsidiaries.

The Corporate Veil's Evolution Throughout History

In *Salomon v. A. Salomon and Co*¹², the corporate veil theory was solidly established.. The House of Lords maintained the idea of independent legal personality in. In this historic instance, Mr. Salomon became a secured creditor of his own firm after incorporating it. He was protected from personal accountability by the court's decision that the corporation was a separate legal

¹² Supra Note 1.

entity, despite creditors' attempts to hold him personally accountable when the business failed.

The idea that a corporation has an autonomous life apart from its members is reinforced by this concept, which has subsequently grown to be a pillar of corporate law. A number of laws now acknowledge corporate personality, such as *Section 9 of the Companies Act, 2013* (India), which expressly gives incorporated businesses a unique legal standing.

Corporate Personality's Legal Structure

India: The 2013 Companies Act

Through a number of statutory laws, the Indian legal system protects the corporate veil:

A firm is acknowledged as a *distinct legal entity under Section 9*.

According to *Section 2(20)*, a company is an organization that was established under the Companies Act.

Section 34: After a business is incorporated, it is given legal personality.

Britain: Companies Act of 2006

In confirming that a business has distinct legal personality, the UK still adheres to the rules set down in *Salomon v. Salomon*. Courts have, however, lifted the corporate veil in situations involving fraud or agency connections. For example, in *Adams v. Cape Industries plc [1990]*¹³ the court considered whether a parent corporation was liable for the actions of its subsidiary.

US: Law Concerning Corporations

Delaware General Corporation Law recognizes corporate individuality in the United States and offers strong shareholder rights. In instances of wrongdoing, courts have the authority to ignore the corporate veil. According to the US Supreme Court's 1998 decision in *United States v. Bestfoods*¹⁴, a parent business may only be held accountable for the acts of its subsidiary if it actively engaged in wrongdoing.

Advantages of Limited Liability Doctrine

The limited liability theory offers a number of financial advantages:

- *Promoting Investment*: Knowing that their personal assets are safeguarded makes investors more inclined to contribute to enterprises.

¹³ Supra Note 4.

¹⁴ Supra Note 5.

- *Promoting Entrepreneurship*: Owners of businesses may take chances without worrying about going bankrupt.
- *Efficient Allocation of Capital*: Businesses may raise money from a number of investors without taking on too much debt.
- *Corporate Stability*: Effective risk distribution and governance are made possible by the division of ownership and management.

Limited liability, however, may be exploited, especially in parent-subsidary arrangements, when businesses utilize subsidiaries as a way to avoid accountability. Legal concepts have been established by courts to deal with these abuses.

Piercing of Corporate Veil in Parent-Subsidiary Relationships

When a parent firm holds a controlling interest in a subsidiary, this is known as a parent-subsidary relationship. Courts may hold parent businesses accountable even though subsidiaries are separate legal entities if:

According to *Daimler Co. Ltd. v. Continental Tyre and Rubber Co. Ltd*¹⁵, a subsidiary is only a front formed to protect the parent company from liabilities.

Parental control gone too far: *Chandler v. Cape plc [2012]*¹⁶ states that a parent may be held accountable if it has direct control over a subsidiary's activities.

Courts have the authority to pierce the corporate veil in cases involving fraud or wrongdoing *Delhi Development Authority v. Skipper Construction Co. (P) Ltd., (1996)*¹⁷.

Trends in India Regarding Parent-Subsidiary Liability

There are several situations in which parent firms can be held accountable for the conduct of its subsidiaries, according to Indian courts:

- The Supreme Court held in *Balwant Rai Saluja v. Air India Ltd., (2014)*¹⁸, that a subsidiary cannot act as its parent's agent until total domination is demonstrated.

¹⁵ *Daimler Co. Ltd. v. Continental Tyre and Rubber Co. Ltd.*, [1916] 2 AC 307 (HL).

¹⁶ Supra Note 9.

¹⁷ *Delhi Development Authority v. Skipper Construction Co. (P) Ltd.*, (1996) 4 SCC 622.

¹⁸ *Balwant Rai Saluja v. Air India Ltd.*, (2014) 9 SCC 407.

- Vodafone Holdings International *B.V. International holdings v. Union of India, (2012)*¹⁹, the court looked at business structuring and decided that, although legal tax planning is acceptable, making fictitious arrangements to avoid liabilities could be acceptable in order to justify veil removal.
- A wholly-owned subsidiary may not necessarily be distinct from its parent company, according to the Supreme Court's ruling in *State of UP v. Renusagar Power Co*²⁰., especially if administrative and financial control is absolute.

Viewpoint Comparison: US and UK Case Law

A parent business may have a direct duty of care to its subsidiary's workers if it controls health and safety regulations, according to the UK Court of Appeal's ruling in *Chandler v. Cape plc [2012]*²¹.

The US Supreme Court upheld the rule that a parent business is not accountable for the conduct of a subsidiary unless the subsidiary actually engages in misconduct in the case of *United States v. Bestfoods 1998*²².

Although it is necessary for investment and economic success, the corporate veil is not absolute. To break through the veil in situations involving fraud, misbehavior, and parent-subsidary manipulation, courts have created procedures. In order to balance corporate autonomy and responsibility, the legal environment is always changing. The rules pertaining to parent-subsidary liability are part of a larger movement in the direction of increased corporate accountability.

Liability of Parent and Subsidiary companies in Corporate Landscape

In general, parent corporations are protected from accountability for the activities of their subsidiaries by the principle of corporate separateness, which is recognized by corporate law. Nonetheless, courts have created exceptions, especially in cases where the parent business has substantial influence over the subsidiary. Liability is mostly determined by legal autonomy and authority. Unless it has a major impact on the subsidiary's operations, finances, or policy, a parent firm is typically regarded as a mere shareholder. Courts consider things including the

¹⁹ *B.V. International Holdings v. Union of India*, (2012) 6 SCC 613.

²⁰ *State of U.P. v. Renusagar Power Co.*, AIR 1988 SC 1737.

²¹ Supra Note 9.

²² Supra Note 5.

makeup of the board, operational control, reliance on outside funding, and the power to make strategic decisions.

It is possible for a parent corporation to be held directly or indirectly accountable. When a parent actively engages in wrongdoing or the corporate veil is breached, direct culpability results. The UK Supreme Court granted a lawsuit against a parent firm for environmental damages caused by its subsidiary in the historic *Vedanta Resources Plc v. Lungowe case*²³, which is typical of instances involving human rights breaches or environmental damage. Vicarious, or indirect, responsibility may result from inadequate parent business supervision of a subsidiary or from agency theory, where a subsidiary serves as the parent's agent or where the parent has a duty of care to its subsidiary's employees, courts have acknowledged culpability, as demonstrated in *Chandler v. Cape Plc*²⁴.

Different jurisdictions' statutory systems approach parent-subsidiary responsibility. In India, subsidiaries are defined and supervisory duties are enforced under the Companies Act, 2013. Liability to parent businesses may also be extended by human rights and environmental legislation. The CERCLA statute in the United States and the corporations Act of 2006 in the United Kingdom both specify the circumstances in which parent corporations may be held liable. Courts and governments throughout the globe are changing how they handle parent-subsidiary responsibility as corporate structures get more complicated, maintaining accountability while honoring corporate independence. In situations when parent firms are directly involved or fail to perform due diligence over subsidiaries, the emerging tendency in jurisprudence points to a shift towards increased liability for these companies.

Parent-Subsidiary Liability: Legal Framework Flaws and Difficulties

India's parent-subsidiary liability laws have long been characterized by a number of ambiguities and loopholes, which makes corporate governance and law enforcement difficult. The idea of "piercing the corporate veil," which enables judges to hold parent businesses responsible for the conduct of their subsidiaries by looking behind the corporate structure, has proved essential in combating corporate exploitation. But the current judicial system—or lack thereof—frequently has flaws and makes applying the law difficult. These issues create a great deal of room for corporate wrongdoing by impeding the efficient application of responsibility

²³ *Vedanta Resources Plc v. Lungowe*, [2019] UKSC 20.

²⁴ *Supra* Note 5.

and accountability.

1. *Variability in Veil-Piercing Criteria*

One of the most urgent problems with the judicial system is that the veil-piercing rules are not consistent. When determining whether to breach the corporate veil, Indian courts frequently use their discretion, and there are no standardized rules that regulate how this principle is used. Because of this, it is frequently decided differently in each instance whether to hold a parent firm accountable for the actions of its subsidiary, which breeds uncertainty. Because of the ambiguity created by this inconsistent judicial interpretation, it is challenging for businesses to predict the possible repercussions of their decisions and for stakeholders to have faith that responsibility would be applied fairly.

2. *Burden of Proof: Establishing Misconduct and Parent Company Control*

The burden of proof is another significant obstacle to pursuing parent-subsidiary responsibility. In order to break through the corporate veil, plaintiffs must show that the parent company's actions caused misbehavior or wrongdoing by exercising influence over the subsidiary. But showing this level of control can be difficult, especially if you can't demonstrate direct engagement in the subsidiary's activities. Parent businesses frequently keep a certain amount of distance and use strategies that hide their direct influence, making it difficult for plaintiffs to establish wrongdoing. Plaintiffs are subjected to an excessive burden as a result, and there is a general hesitancy to pursue claims.

3. *Regulatory Arbitrage: Establishing Subsidiaries to Steer Clear of Responsibility*

A typical strategy used by businesses to avoid accountability is regulatory arbitrage, particularly when subsidiaries are set up in multiple countries. Parent corporations can restrict their exposure to legal and financial liability in situations of corporate malfeasance by establishing subsidiaries in nations with more lax regulatory regimes. This tactic makes the enforcement of parent-subsidiary obligation even more difficult by taking advantage of holes in international legal frameworks. The current Indian legal framework is frequently insufficient due to the cross-border nature of corporate structures, as the rules regulating corporate responsibility do not effectively transcend national boundaries.

4. *Lack of a Clearly Defined Law Framework*

There isn't a clear and comprehensive legislative framework addressing parent-subsidiary responsibility, which is arguably the biggest legal gap. Although the concept

of veil-piercing has evolved as a result of court decisions, India lacks a formal statute that specifies when and how the corporate veil may be removed. In the lack of a single regulation, judges' subjective judgments govern how veil-piercing principles should be interpreted and applied, which causes ambiguity and inconsistency. Because there is a lack of clear advice, attempts to maintain accountability in corporate governance are hampered and corporate exploitation is not successfully deterred.

Suggested Reforms

Reforming the legal system is crucial in light of the aforementioned difficulties in order to solve the problems of corporate responsibility, improve accountability, and lessen the likelihood of corporate misuse. Establishing a stronger and more open framework for parent-sub subsidiary responsibility enforcement in India is the goal of the following proposals.

1. Lawsuits to Establish Explicit Rules for Lifting Corporate Veils

Legislative changes that provide precise rules for when the corporate veil can be removed should be the first step in strengthening the legal system. There would be less uncertainty and parent firms would be unable to simply avoid accountability for the activities of their subsidiaries if there was a thorough and consistent framework for veil-piercing. To justify the piercing of the corporate veil, the law should specify certain requirements, such as dominance, fraud, or misuse of the company structure. Well-defined regulations would improve legal clarity and discourage corporate wrongdoing.

2. More Regulatory Monitoring of Parent Companies in High-Risk Sectors

There should be more regulatory control, especially in high-risk areas where corporate wrongdoing or incompetence can have disastrous effects, such public safety, labor rights, and environmental legislation. To make sure they aren't utilizing corporate structures to avoid responsibility, parent businesses having subsidiaries in these industries ought to be subject to stricter laws. Closer examination of their financial and operational operations would be necessary for this, as would increased reporting and disclosure openness. Achieving a balance between public benefit and corporate autonomy should be the aim, making sure that parent businesses are unable to avoid accountability by evading corporate governance.

3. Juggling Accountability and Economic Growth

Expanding businesses is a good way to boost the economy, but accountability shouldn't suffer in the process. Because of the existing structure, businesses may frequently take advantage of limited liability protections to escape accountability for wrongdoing. A

more balanced strategy that combines the need for expansion with stringent measures to guarantee that firms are held responsible for their conduct is required in India in order to prevent enterprises from abusing these rights. This entails better safeguarding stakeholders who could be harmed by corporate misconduct as well as tougher enforcement of corporate governance norms.

4. *Implementing Best Practices from Around the World*

Finally, India may gain from using global best practices for corporate veil piercing. In nations like the US and the UK, there are set guidelines for figuring out when the corporate veil can be lifted. The Companies Act in the United Kingdom and the common law system in the United States, for example, provide comprehensive instructions about the circumstances in which a parent company can be held liable for the activities of its subsidiary. Through an examination of these global frameworks and their adaptation to the Indian context, India may improve its corporate governance standards and more effectively tackle corporate misconduct in a worldwide marketplace.

CONCLUSION

Breaking through the corporate veil and the parent-subsidiary connection has been a crucial aspect of corporate law, particularly when it comes to issues of accountability and liability. A thorough analysis of case law reveals that, although the corporate veil often protects parent businesses from the conduct of their subsidiaries, there are a number of exceptions. In situations when the parent company overreacts or the subsidiary is used as a tool for fraud or to avoid legal duties, courts have lifted the veil. Judgements such as *Dharmani Dube v. State of UP*²⁵ are noteworthy. The Indian judiciary has adopted a nuanced approach, striking a balance between the necessity of preserving corporate independence and the urgency of safeguarding the public interest and legal rights, as evidenced by the case of *Tata Engineering & Locomotive Co. Ltd. v. State of Bihar*²⁶.

The judicial approach is inconsistent, nevertheless, because various courts have different ideas about when to break through the corporate veil. The lack of a clear legal framework makes this matter even more unclear, particularly when it comes to international business dealings with multinational corporations.

²⁵ *Dharmani Dube v. State of U.P* (1982) 7 SC 679.

²⁶ *Tata Engineering & Locomotive Co. Ltd. v. State of Bihar*, (1964) 6 SCR 885.

SUGGESTIONS

Better Statutory Guidelines: India need a thorough framework that specifies when the corporate veil can be lifted, giving courts and companies uniformity and legal clarity.

Adopting a "Enterprise Liability" model: This will better protect stakeholders and stop corporate structure abuse. Under this approach, parent businesses would be held responsible for their subsidiaries.

Stronger Regulatory monitoring: It would be possible to stop corporate veil misuse and safeguard stakeholders' interests by strengthening regulatory monitoring over multinational subsidiaries in India with more stringent disclosure standards.

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