# Legal Case Summary: DBS Bank Limited Singapore vs Ruchi Soya Industries Limited & Another (2024)

Case Title: DBS Bank Limited Singapore vs Ruchi Soya Industries Limited & Another

Citation: 2024 INSC 14

Court: Supreme Court of India

Date of Judgment: 3 January 2024

Bench: Sanjiv Khanna, S.V.N. Bhatti

## Facts of the Case:

- DBS Bank Singapore had granted a loan of ₹243 crore to Ruchi Soya Industries Limited, secured with exclusive first charges over specific assets.  
- Ruchi Soya entered Corporate Insolvency Resolution Process (CIRP) in December 2017.  
- Patanjali Ayurved submitted a resolution plan in March 2019.  
- DBS Bank dissented, raising concerns over unfair distribution of resolution proceeds compared to its security value.  
- In 2019, Section 30(2)(b)(ii) of the Insolvency and Bankruptcy Code (IBC) was amended to protect dissenting secured creditors.

## Procedural History:

- Resolution plan approved by CoC with 96.95% votes, despite DBS dissent.  
- NCLT gave provisional (July 2019) and final (September 2019) approval to the plan.  
- DBS challenged the distribution mechanism before NCLT and NCLAT, both of which dismissed the challenges.  
- Supreme Court admitted DBS’s appeal and ordered an interim escrow deposit of ₹99.74 crore (difference between liquidation entitlement and actual payout).

## Issues before the Court:

1. Does the amended Section 30(2)(b)(ii) of IBC apply retrospectively to pending CIRP cases and appeals?  
2. Is a dissenting secured creditor like DBS entitled to at least the liquidation value of its security interest?  
3. Is there a conflict between CoC's commercial wisdom under Section 30(4) and statutory rights under Section 30(2)(b)(ii)?  
4. Was the India Resurgence ARC case decision correct in its interpretation?

## Judgment:

- Supreme Court held that Section 30(2)(b)(ii) applies to pending cases post the 2019 IBC amendment.  
- Dissenting secured financial creditors are entitled to receive at least the liquidation value of their security interest.  
- Found inconsistencies in India Resurgence ARC judgment and referred the issue to a larger bench.

## Key Legal Findings:

1. Retrospective Application: The 2019 IBC Amendment applies to ongoing CIRP and NCLAT proceedings.  
2. Liquidation Floor: Dissenting secured creditors cannot receive less than their liquidation entitlement.  
3. CoC’s Commercial Wisdom: While commercial decisions are respected, CoC cannot bypass minimum statutory protections.  
4. No Security Enforcement Right: Dissenting creditors can't enforce their security but must receive monetary equivalent of liquidation value.  
5. Larger Bench Reference: To resolve conflicting interpretations, the Supreme Court referred the question to a larger bench.

## Final Decision:

✅ Appeal allowed in part  
✅ Issue referred to a larger bench  
✅ Interim escrow arrangement continues till final decision