

IBC DOSSIER

Bulletin on Landmark Judgments under IBC, 2016



DBS BANK LIMITED SINGAPORE Vs. RUCHI SOYA INDUSTRIES LIMITED AND ANOTHER

Brief Facts

The case involves DBS Bank Limited Singapore (Appellant) and Ruchi Soya Industries Limited (Corporate Debtor). DBS Bank extended a financial debt of approximately USD 50 million to Ruchi Soya, secured by exclusive charges over various assets¹. During the Corporate Insolvency Resolution Process (CIRP), Patanjali Ayurvedic Limited submitted a resolution plan, which was approved by the Committee of Creditors (CoC). DBS Bank, a dissenting financial creditor, challenged the distribution mechanism of the resolution plan proceeds, arguing it did not account for the superior value of its security interest.

Decision

The Supreme Court examined whether the amendments to Section 30(2)(b)(ii) of the Insolvency and Bankruptcy Code (IBC) entitle dissenting financial creditors to be paid the minimum value of their security interest³. The Court concluded that dissenting financial creditors are entitled to receive at least the liquidation value of their security interest². The case was referred to a larger bench to resolve the conflict in interpretations of Section 30(2)(b)(ii) between different judgments. The Court emphasized that the rights of dissenting financial creditors must be protected to ensure fair and equitable treatment.

Link of the Order

<https://ibbi.gov.in/uploads/order/20ac4f1d4196faf865a9647c226823e5.pdf>



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