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RIGHT OF DISSENTERS: ENHANCING EFFICIENCY IN INSOLVENCY PROCEEDINGS

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ABSTRACT

The Insolvency and Bankruptcy Code, 2016 is an elaborate legislation providing for the timely resolution of corporate insolvency. A critical stage of the Corporate Insolvency Resolution Process is the vote of the Committee of Creditors on a proposed Resolution Plan, and dissenting financial creditors holding substantial security, unsatisfied with the amount assigned to them under an approved plan, have increasingly contested such plans before the courts. Section 30 of the Code, which governs the minimum entitlement of dissenting financial creditors, has undergone repeated amendment and inconsistent judicial interpretation, generating litigation that stalls resolution proceedings and undermines the Code's core objective of time-bound insolvency resolution. This paper undertakes a comparative analysis of two conflicting Supreme Court judgments on dissenting creditor entitlement, India Resurgence ARC Private Limited v. Amit Metaliks Limited and DBS Bank Limited Singapore v. Ruchi Soya Industries Limited, situating that conflict against the legislative intent behind the Code's 2019 amendment and the UNCITRAL Legislative Guide on Insolvency Law that substantially informed it. It proposes a two-fold resolution: a harmonious construction of Sections 30(2)(b)(ii) and 30(4) of the Code, and the recognition of a distinct sub-class of dissenting secured financial creditors capable of registering grievance collectively rather than through multiplied individual litigation. The paper argues that these reforms would preserve both the Committee of Creditors' commercial wisdom and the minimum protection the 2019 amendment was enacted to secure, reducing the litigation that presently threatens the efficiency the Code was designed to deliver.

KEYWORDS: *Liquidation Value; Dissenting Creditors; Resolution Plan; Committee of Creditors; Insolvency and Bankruptcy Code.*

1. INTRODUCTION

The Insolvency and Bankruptcy Code, 2016 brought a significant shift toward a creditor-in-control model, displacing the earlier debtor-oriented approach to corporate distress resolution in India. The Code aims to facilitate the resurrection and rehabilitation of distressed corporations through the Corporate Insolvency Resolution Process, under which an Interim Resolution Professional, after assessing the corporate debtor's financial affairs, constitutes a Committee of Creditors, comprising predominantly financial creditors, which in turn evaluates competing resolution plans to secure the efficient discharge of the debtor's obligations.[1] A resolution plan requires the approval of at least sixty-six per cent of the Committee's voting share, but creditors whose interests are not adequately reflected in the plan may abstain or dissent, and such dissenting financial creditors have increasingly challenged approved plans in

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1 The Insolvency and Bankruptcy Code, 2016, No. 31, Acts of Parliament, 2016 (India).

respect of the amount they are entitled to receive, generating delay that compromises the efficacy of the resolution process.

This tension surfaced most recently in *DBS Bank Limited Singapore v. Ruchi Soya Industries Limited and Another*[2], where a two-judge bench of the Supreme Court referred to a larger bench the question whether Section 30(2)(b)(ii) of the Code, as amended in 2019, entitles a dissenting financial creditor to be paid the minimum value of its security interest. That question addresses a pressing concern for dissenting financial creditors generally: the minimum amount to which they are entitled under an approved resolution plan. While the Court in *DBS Bank* held that such creditors are entitled to the liquidation value of their security interest, it found itself at odds with a coordinate bench's earlier holding that a dissenting creditor's entitlement, while enforceable, cannot exceed what is receivable under the resolution plan itself, as distinct from the value the creditor's admitted claim would carry against the receivable value of comparably situated creditors. As of this writing, the reference remains pending before a larger bench, leaving the underlying interpretive conflict unresolved.

This paper undertakes a comparative analysis of the two conflicting judgments, informed by the legislative intent underlying the Code and its 2019 amendment and by the international insolvency practice that shaped that amendment, principally the UNCITRAL Legislative Guide on Insolvency Law. It proposes a two-fold resolution: first, a harmonious construction of the provisions of Section 30 capable of bringing greater clarity to dissenting creditor entitlement; and second, the recognition of a distinct sub-class of dissenting secured financial creditors, a proposal this paper supports through analysis of relevant judicial precedent on creditor sub-classification.

1.1 Research Methodology

This study adopts a doctrinal methodology, analysing the text of the Insolvency and Bankruptcy Code, its 2019 amendment, the relevant CIRP Regulations, and the Supreme Court and NCLAT decisions addressing dissenting creditor entitlement. It draws further on the Bankruptcy Law Reforms Committee Report, Parliamentary debate on the 2019 amendment, the UNCITRAL Legislative Guide, and comparative insolvency law from the United States and the United Kingdom.

1.2 Scope

This paper confines its analysis to the entitlement of dissenting financial creditors within the Corporate Insolvency Resolution Process specifically, and

2 DBS Bank Ltd. Singapore v. Ruchi Soya Indus. Ltd. & Another, (2024) 2 S.C.C. 563 (India).

does not address the distinct treatment of dissenting creditors within liquidation proceedings initiated directly under Chapter III of the Code, except where comparison illuminates the CIRP-specific analysis. The analysis covers judicial and regulatory developments through August 2026.

2. FROM SIRPUR MILLS TO THE 2019 AMENDMENT

On 19 November 2018, the Supreme Court upheld the order of the National Company Law Appellate Tribunal in *Central Bank of India v. Resolution Professional of the Sirpur Paper Mills Ltd.*[3], addressing Regulation 38(1)(c) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which mandated payment of liquidation value to dissenting financial creditors before any recovery was made by other financial creditors. The Court held the regulation inconsistent with the Code itself, on the ground that mandating liquidation value for dissenters produced discrimination between creditors otherwise similarly placed; the Insolvency and Bankruptcy Board of India subsequently amended the regulation to remove the inconsistent provision.

Recognising the continuing need to protect dissenting creditors notwithstanding this correction, Parliament enacted the Insolvency and Bankruptcy Code (Amendment) Act, 2019, modifying Section 30(2)(b) to permit differential treatment of dissenters along lines drawn from Section 53.[4] The amendment requires a resolution professional to confirm that a resolution plan provides for payment to dissenting financial creditors of an amount not less than what they would be entitled to receive in liquidation, in accordance with their priority under Section 53. This amendment has remained the subject of sustained interpretive contest in the years since its enactment, a contest this paper's next section examines directly.

The sequence from *Sirpur Mills* to the 2019 amendment illustrates a recurring pattern in Indian insolvency regulation: subordinate regulation attempting to protect dissenting creditors, judicial invalidation of that regulation for exceeding statutory authority, and subsequent legislative correction embedding the same protective purpose directly within the Code itself. This pattern matters for the analysis this paper undertakes in Section 6, since it demonstrates that the protection of dissenting creditor interest has consistently proven resilient to individual judicial or regulatory setback, reappearing in progressively more authoritative form until finally embedded in primary legislation. The interpretive conflict this paper's Section 3 examines is

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[3] Central Bank of India v. Resolution Professional of the Sirpur Paper Mills Ltd. & Ors., (2018) S.C.C. OnLine SC 2380 (India).

[4] The Insolvency and Bankruptcy Code (Amendment) Act, 2019, No. 26, Acts of Parliament, 2019 (India).

accordingly best understood not as a challenge to the existence of dissenter protection, which no party to either decision contested, but as a disagreement over the precise mechanism through which that now-settled protective purpose should be given practical effect.

3. A CLASH OF INTERPRETATIONS

3.1 Receivable Liquidation Value: India Resurgence

In *India Resurgence ARC Private Limited v. Amit Metaliks Limited & Another*[5] (13 May 2021), the Supreme Court held that a dissenting financial creditor may enforce its security interest, but only up to the amount it is set to receive under the resolution plan, and cannot demand more than that amount irrespective of the underlying value of its security. The appellant, having remained a dissenting secured creditor after expressing reservation regarding the proposed distribution, argued that the 2019 amendment to Section 30(4) required the Committee of Creditors to consider the order of priority and the value of security interest among all creditors in determining distribution. The Supreme Court, affirming the NCLAT, held that Section 30(4) merely expands the factors the Committee may consider in exercising its discretion, relying on a literal reading of the word may to characterise the provision as guidance rather than mandate, and holding that the proposed plan remains a core exercise of the Committee's commercial wisdom which the amendment supplements without displacing. The Court reasoned further that permitting dissenters to receive the full liquidation value of their security would incentivise dissent in pursuit of liquidation rather than resolution, an outcome contrary to the Code's rehabilitative purpose.

3.2 Minimum Liquidation Value: DBS Bank

On 3 January 2024, the Supreme Court decided *DBS Bank*, again addressing the extent of dissenting creditor entitlement on facts closely resembling *India Resurgence*: the appellant dissented from the resolution plan on the ground that its security held greater value than the collateral held by other creditors, and contended that equal distribution would compromise the fair and equitable character Section 30(2) requires. The Court held that a dissenting creditor's right cannot be expanded to challenge the plan generally, but that such a creditor may object where the proceeds offered fall short of the entitlement Section 53(1) prescribes. Reading Section 30(2)(b)(ii) directly, the Court held that a dissenting financial creditor is entitled to an amount not less than what it would receive under Section 53(1), and it expressly identified a contradiction between this reading and the reasoning of *India Resurgence*, holding that the discretionary reading Section 30(4) received in the earlier case cannot override

5 India Resurgence ARC Private Ltd. v. Amit Metaliks Ltd. & Another, (2021) 5 S.C.C. 106 (India).

a dissenting creditor's statutory right to minimum liquidation value under Section 30(2)(b)(ii). Concurring with *Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd.*[6], the Court held that dissenting creditors are entitled to payment of the Section 53 amount as a sum of money on a priority basis, though without any accompanying right to enforce the security itself or sell the underlying asset.

3.3 The Root of the Conflict

The contradiction between the two decisions traces to their differing treatment of the relationship between Section 30(4) and Section 30(2). *India Resurgence* read Section 30(4) as merely expanding the Committee's discretionary considerations, and used that reading to construe Section 30(2) narrowly, confining a dissenting creditor's entitlement to the receivable value stipulated in the majority-approved plan, capped at the liquidation value of the relevant security. *DBS Bank,* by contrast, held that a dissenting creditor's statutory entitlement to minimum liquidation value under Section 30(2)(b)(ii) cannot be diminished by Section 30(4), which the Court characterised as addressed to the Committee's commercial wisdom rather than to the floor of dissenter entitlement itself. The two decisions agree that the Code does not permit a dissenting creditor to enforce its security interest directly, but disagree sharply on whether the monetary floor that substitutes for enforcement is set by the plan's own terms or by Section 53(1) independent of what the plan provides.

This disagreement carries practical consequence extending well beyond the specific facts of either case. Under the *India Resurgence* approach, a Committee of Creditors retains effective discretion to set dissenter entitlement at any level it considers commercially reasonable, so long as the plan as a whole survives scrutiny for feasibility and viability, leaving dissenting creditors dependent substantially on the Committee's own assessment of fairness. Under the *DBS Bank* approach, by contrast, the Committee's discretion operates only above a statutorily fixed floor, and any plan proposing to pay a dissenting creditor less than that floor is vulnerable to challenge regardless of the Committee's stated commercial rationale. The larger bench's eventual resolution of this question will accordingly determine not merely the outcome of individual disputes comparable to *India Resurgence* and *DBS Bank* themselves, but the baseline bargaining position dissenting creditors occupy in every future Committee of Creditors negotiation across the Indian insolvency system.

4. INTERPRETING IN LIGHT OF LEGISLATIVE PURPOSE AND GLOBAL INSIGHTS

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[6] Jaypee Kensington Boulevard Apartments Welfare Assoc. & Ors. v. NBCC (India) Ltd. & Ors., (2022) 1 S.C.C. 401 (India).

Resolving the conflict this paper's Section 3 documents requires attention to international insolvency practice and to the legislative intent underlying both the Code and its 2019 amendment.

4.1 The UNCITRAL Legislative Guide

The UNCITRAL Legislative Guide on Insolvency Law substantially informed the Code's original design.[7] The Guide addresses the necessity of an insolvency framework capable of imposing a majority-approved plan on a dissenting minority while doing so equitably, recognising the genuine risk of unfairness such imposition can create and accordingly directing that minority creditors receive specific protection. The Guide recommends that a dissenting class of creditors, bound to the plan by operation of law, ought to receive no less than what they would have received in liquidation, and that such creditors should retain the option to contest the majority's decision in court where that minimum protection is not honoured, a mechanism intended to discourage majority overreach at the minority's expense. These principles are directly reflected in the 2019 amendment, which for the first time explicitly protected dissenting creditors along comparable lines.

4.2 Legislative Intent Behind the 2019 Amendment

The Bankruptcy Law Reforms Committee Report supplies further insight into the Code's guiding principle.[8] Drawing on comparative insolvency regimes and the UNCITRAL Guide, the Committee emphasised certainty and predictability in the law alongside the preservation of economic value during resolution, stressing a collective process in which the interests of all key stakeholders are assessed and the rights of every creditor equally respected. In Lok Sabha debate on the 2019 amendment, Finance Minister Nirmala Sitharaman confirmed that dissenting creditors would receive whatever the statutory waterfall mechanism entitled them to, irrespective of how they had voted.[9] This legislative history establishes, without serious ambiguity, that the 2019 amendment was intended to secure liquidation value for dissenting financial creditors specifically to protect them from unjust enrichment accruing to assenting creditors holding comparatively lesser security, a purpose the reasoning in *DBS Bank* tracks more closely than the reasoning in *India Resurgence*.

4.3 Comparative Insolvency Practice

Comparative practice reinforces this reading. Chapter 11 of the United States Bankruptcy Code protects secured creditors under Section 1126, providing that

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7 UNCITRAL, Legislative Guide on Insolvency Law (2004).

8 Bankruptcy Law Reforms Committee, The Report of the Bankruptcy Law Reforms Committee (Nov. 4, 2015).

9 Lok Sabha Debates, Insolvency and Bankruptcy Code (Amendment) Bill, 2019 (July 29, 2019).

a secured creditor may be bound by a plan only where it is assured retention of its security interest or the proceeds of that interest.[10] The United Kingdom's Corporate Insolvency and Governance Act, 2020 amended Section 901G of the Companies Act, 2006 to require that the adjudicating authority satisfy itself that a majority-approved plan leaves no dissenting creditor worse off than under the relevant alternative, the outcome the court considers most likely should the plan fail, where more than fifteen per cent of a voting class dissents,[11] while permitting courts to cram down a plan on dissenting creditors, under Section 901F, where satisfied that the plan is fair and equitable.[12] Across these jurisdictions, the consistent pattern is to protect minority dissenters through a defined monetary floor while retaining a mechanism, whether cram-down or plan confirmation, capable of binding dissenters to an economically viable resolution notwithstanding their objection, precisely the balance this paper's Section 6 recommendation seeks to secure for Indian law.

It is worth noting that neither the American nor the British model resolves the entitlement question through the specific mechanism of a fixed liquidation-value floor Section 30(2)(b)(ii) establishes; both instead condition plan confirmation on a comparative best-interests test, asking whether the dissenting creditor is better off under the plan than under the relevant counterfactual, whether liquidation in the American case or the relevant alternative in the British case. India's statutory approach, by contrast, fixes the floor by direct reference to Section 53's liquidation waterfall specifically, a more determinate but correspondingly less flexible standard than the comparative best-interests test these two comparator jurisdictions apply. This difference in method does not undermine the comparative case for protecting dissenting creditors as a general matter, which all three jurisdictions clearly endorse, but it does mean that the specific interpretive question dividing *India Resurgence* and *DBS Bank*, namely whether the Section 53 floor is truly fixed or subject to Committee discretion under Section 30(4), has no precise comparative analogue and must ultimately be resolved by reference to the specific text and history of the Indian Code itself, the task this paper's Section 6 undertakes directly.

5. ANCILLARY CRITICISMS AND THE IBBI'S PROPOSED REFORM

Critics of Section 30(2)(b)(ii) contend that the liquidation value the provision guarantees is calculated at a level exceeding what dissenting creditors are genuinely due, since Regulations 27 and 35 of the CIRP Regulations fix the relevant notional amount as at the commencement of insolvency proceedings, disregarding any loss of asset value that occurs during the resolution process

10 11 U.S.C. § 1126 (2018).

11 Companies Act 2006, c. 46, § 901G (UK), as amended by Corporate Insolvency and Governance Act 2020, c. 12 (UK).

12 Companies Act 2006, c. 46, § 901F (UK).

itself. This valuation methodology, critics argue, risks incentivising secured creditors to dissent specifically to secure a higher entitlement, pushing distressed corporates toward liquidation rather than resolution, contrary to the Code's core rehabilitative objective.

The Insolvency and Bankruptcy Board of India, recognising this difficulty, released a Discussion Paper on 1 November 2023, inviting public comment on proposed amendments to Regulation 2(1)(k) and Regulation 38(1)(b) of the CIRP Regulations, notably before *DBS Bank*[13] reached the Supreme Court. The proposal would insert a new sub-clause clarifying the meaning of amount due in the event of liquidation as the lower of either the amount distributable under the resolution plan per the Section 53(1) mechanism or the liquidation value as defined under the Code, and would substitute Regulation 38(1)(b) to confirm that dissenting financial creditors are to be settled with priority over other financial creditors upon liquidation. This proposed amendment would account for asset depreciation by adopting the lower of the two values while preserving dissenters' priority, and would correspondingly reduce the incentive to dissent purely in pursuit of a higher payout, since the entitlement produced would track actual, rather than notional, asset value more closely.

The Discussion Paper's proposed valuation reform and the interpretive question dividing *India Resurgence* and *DBS Bank* address related but analytically distinct problems, a distinction worth making explicit. The Discussion Paper addresses how the dissenting creditor's liquidation-value entitlement should be calculated, ensuring that entitlement reflects genuine, current asset value rather than a notionally inflated figure fixed at the commencement of proceedings. The interpretive conflict this paper's Section 3 examines addresses a logically prior question: whether that liquidation-value entitlement, however calculated, functions as a genuinely fixed floor or remains subject to the Committee's discretion under Section 30(4). Resolving the valuation question through regulatory amendment, as the IBBI proposes, would not by itself resolve the floor-versus-discretion question the pending larger bench reference must still decide, meaning that both reforms, regulatory and judicial, are necessary complements rather than substitutes for one another.

6. THE CASE FOR HARMONISATION

Courts should adopt an interpretation of the Code that harmonises Section 30(2)(b)(ii) and Section 30(4) rather than treating the two provisions as operating in tension. The statutory language supports this harmonisation directly: Section 30(2) requires that the resolution professional shall confirm that each resolution plan complies with the stipulations of clauses (a) through

13 Insolvency and Bankruptcy Board of India, Discussion Paper on Proposed Amendments to the CIRP Regulations (Nov. 1, 2023).

(f), and Section 30(3), unchanged since the Code's inception, requires the professional to present only plans conforming to those conditions.[14] This places an unambiguous onus on the resolution professional to ensure compliance before a plan reaches the Committee at all.

Section 30 provides no mechanism for a dissenting financial creditor to enforce its security interest directly or to demand an arbitrary sum; it refers only to the monetary value to which the creditor is entitled where the plan fails to allocate the Section 53 minimum. Where that minimum is not assured, dissent frequently follows, yet the dissenter, once the plan is approved, cannot enforce or sell the underlying security, precisely as every other creditor must forgo enforcement upon acceptance of a binding, Committee-approved plan. Because the Code permits a plan to bind dissenters notwithstanding their objection, it is essential that the minimum protection Section 30(2)(b)(ii) promises be genuinely enforceable rather than merely aspirational.

Future amendment to Section 30, beyond what the IBBI's Discussion Paper already proposes, should accordingly clarify, through explanation, that the Adjudicating Authority must confirm the mandate of minimum protection under Section 30(2)(b)(ii) has been honoured before approving a plan. Such clarification would reduce the appeals by dissenting creditors that presently impede efficient resolution, while a defined enforcement mechanism for the security-equivalent minimum would ensure that resolution plans genuinely account for every stakeholder's interest, reducing the risk that dissenting creditors opt for liquidation over resolution out of concern that their statutory floor will otherwise go unenforced. This interpretation would not meet the fate the CIRP Regulation met in *Sirpur Mills*, since it locates the minimum protection requirement in the Code itself rather than in subordinate regulation, placing it beyond the kind of regulation-versus-statute inconsistency that decision addressed.

7. THE CASE FOR A DISSENTING SUB-CLASS

Financial creditors of every kind, secured and unsecured alike, were historically treated as a single undifferentiated class. In *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*[15], the Supreme Court recognised distinct classes of secured and unsecured creditors according to the availability of security, and held further that differential treatment may extend even within the class of secured creditors according to the value of their respective security, permitting distinct sub-classes to be recognised within a broader creditor class,

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[14] The Insolvency and Bankruptcy Code, 2016, §§ 30(2)-(3), No. 31, Acts of Parliament, 2016 (India).

[15] Comm. of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta, (2020) 8 S.C.C. 531 (India).

with a resolution plan free to consider different classes as contemplated under Section 53.

A 2023 NCLT Kolkata order applying this reasoning held that classification and sub-classification require a rational nexus, and on that basis declined to treat related-party status alone as sufficient to constitute a separate class, since that status serves only the narrower purpose of exclusion from the Committee of Creditors under the Code and finds no independent basis in Section 53.[16] The Supreme Court's subsequent decision in *Vishal Chelani v. Debashis Nanda*[17] held that differential treatment of home-buyers based on orders secured from another authority would produce impermissible hyper-classification, violating Article 14 of the Constitution.

Taken together, this line of authority supports treating dissenting secured financial creditors, once voting has concluded, as a distinct sub-class whose right to minimum protection is accounted for within the plan and examined by the Adjudicating Authority at the approval stage under Section 31(1).[18] This criterion is appropriate because financial creditors generally constitute the Committee during the resolution process, and the question of security enforcement, where it arises at all, arises specifically among secured financial creditors. Such a sub-class would exist only for so long as the plan against which its members dissented remains under consideration, dissolving automatically should the Adjudicating Authority reject that plan, since the sub-class's existence is tied directly to the specific act of dissent against a specific plan rather than to any freestanding creditor status.

The 2019 amendment itself already protects dissenting financial creditors through differential post-vote treatment, effectively creating a class of dissenters to the extent of that protection; because Section 30(2)(b)(ii) links this class directly to Section 53, its formal recognition as a sub-class follows the same logic *Essar Steel* applied. In *Manish Kumar v. Union of India*[19], the Supreme Court upheld the legislature's distinction between allottees and other financial creditors, holding that a sub-class within a class is not antithetical to the guarantee of equality under Article 14. This formal recognition would not produce the hyper-classification *Vishal Chelani* condemned, since the distinction proposed here rests on a rational nexus internal to the Code's own treatment of dissenting secured creditors rather than on an external procedural conflict with another statute.

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16 In re Suasth Health Care Foundation, C.P. (IB) No. 232 (KB) 2023 (NCLT Kolkata).

17 Vishal Chelani & Ors. v. Debashis Nanda, (2023) 10 S.C.C. 395 (India).

18 The Insolvency and Bankruptcy Code, 2016, § 31(1), No. 31, Acts of Parliament, 2016 (India).

19 Manish Kumar v. Union of India, (2021) 5 S.C.C. 1 (India).

Once recognised, a dissenting secured sub-class would allow its members to register grievance collectively before the Adjudicating Authority at the plan-approval stage, rather than through the multiplied individual litigation the present system generates, giving the resolution process an additional, more efficient opportunity to render the plan genuinely acceptable and equitable, while directly furthering the Code's core objective of timely resolution.

A further practical benefit of formal sub-class recognition concerns the timing of dispute resolution within the CIRP process. At present, a dissenting creditor dissatisfied with a plan's treatment of its entitlement must typically wait until the plan reaches the Adjudicating Authority, or has already been approved, before mounting a legal challenge, a sequencing that virtually guarantees delay to the resolution timeline the Code's strict statutory deadlines are designed to protect. A recognised sub-class, by contrast, could in principle raise its collective objection during the Committee's own deliberation, before the plan is finalised and submitted for approval, allowing the Committee to address a well-defined, collectively articulated concern proactively rather than reactively. This earlier intervention point would not guarantee that every dispute is resolved without recourse to the Adjudicating Authority, but it would meaningfully increase the proportion of disputes capable of resolution within the ordinary CIRP timeline rather than through the extended litigation this paper's introduction identifies as the central efficiency problem motivating this analysis.

8. CONCLUSION

The interpretation of dissenting financial creditors' rights under the Code, particularly Sections 30(2)(b)(ii) and 30(4), has produced genuinely divergent judicial reasoning. *India Resurgence* emphasised the Committee's discretion and confined dissenters to their receivable liquidation value; *DBS Bank* reinforced the minimum entitlement dissenting creditors hold under Section 53(1). This conflict, still pending resolution before a larger bench, underscores the need for a harmonised judicial approach respecting both the Committee's commercial wisdom and the legislative intent to protect dissenting creditors from inequitable treatment.

The legislative purpose reflected in the 2019 amendment, and in the international insolvency standards, particularly the UNCITRAL Legislative Guide, that informed it, supports a balanced approach ensuring dissenting creditors fair and equitable treatment without unduly disrupting resolution. The IBBI's ongoing regulatory review and proposed amendment to the CIRP Regulations signal continuing movement toward greater clarity, and harmonising the relevant provisions of the Code, along the lines this paper's Section 6 proposes, remains essential to preserving both the efficiency of insolvency resolution and the rights of minority creditors.

It is worth acknowledging directly the concern that protecting dissenters as this paper proposes might encourage more secured creditors to dissent in pursuit of liquidation value. The converse risk is, however, considerably more serious: resolution plans that unjustly enrich creditors holding comparatively inferior security, at the expense of those holding superior security, would themselves generate increased litigation and appeal, and the resulting reluctance to assent to future resolution processes would undermine the efficiency the Code exists to secure. The sub-class proposal this paper advances in Section 7 addresses this concern directly, allowing dissenting secured creditors to register grievance collectively and thereby shape the plan before it reaches final approval, rather than contesting it individually after the fact.

India's lending landscape depends substantially on secured credit, given its comparatively lower interest rate and lower loss severity upon default; banks correspondingly maintain lower provisioning requirements for secured lending than for unsecured lending. The UNCITRAL Guide itself recognises that protecting dissenting minority creditors is necessary to sustain a healthy credit ecosystem, since a regime in which majority vote can significantly impair non-consenting creditors without adequate protection risks discouraging the future extension of credit altogether, an outcome directly contrary to the Code's founding objective of improving India's credit culture and attracting domestic and international investment. Absent clarity on the position of dissenting creditors, resolved either through the pending larger-bench decision in *DBS Bank* or through the legislative reform this paper proposes, India risks a meaningful setback to the creditor-in-control regime the Code was designed to establish.