



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
PROMOTED BY THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

10|April|2026

IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"We can't become what we need to be by remaining what we are."

➤ Supreme Court Limits Co-op Bids in Insolvency Cases

The Supreme Court has issued a significant clarification on the eligibility of co-operative societies wishing to act as resolution applicants under the Insolvency and Bankruptcy Code (IBC). The ruling, delivered on Thursday, confirms that these societies can bid, but only if they strictly follow the investment rules set out in the Multi-State Co-operative Societies Act (MSCS Act). This means co-ops must ensure their investments are limited to subsidiaries or companies within the same line of business as defined by their own bye-laws. This legal clarification, stemming from the Nirmal Ujjwal Credit Co-operative Society Ltd. versus Ravi Sethia case, means theoretical eligibility is now conditional.

The core of the ruling relies on Section 64(d) of the MSCS Act, which permits investments only in subsidiary companies or entities operating in the 'same line of business'. This rule, strengthened by a 2023 amendment meant to prevent risky investments and fund misuse, acts as a major obstacle. For a co-operative society to qualify, its business operations must directly match the sector of the company facing insolvency. This is expected to be a significant hurdle, as many co-ops focus on credit, housing, or local services and may lack direct overlap with companies in manufacturing, technology, or other diverse sectors. Traditional resolution applicants, like private equity firms, often have broader investment scopes and established procedures for evaluating various businesses. The court's decision suggests that applicants should ideally bring relevant expertise or a strategic fit, not just financial backing, to a corporate insolvency resolution process (CIRP).

Even though the Supreme Court's ruling theoretically opens the door wider for co-op involvement, practical challenges and risks remain high. The strict 'same line of business' rule, along with compliance requirements from their bye-laws and the MSCS Act, greatly limits their capacity for complex, cross-industry restructurings. Co-operative societies may struggle to align their governance, investment timelines, and risk tolerance with the demands of rescuing distressed companies, unlike larger financial firms with specialized teams.

Source: *Whalesbook*

Read Full news: [Supreme Court Limits Co-op Bids in Insolvency Cases / Whalesbook](#)

➤ **NCLT Mumbai: Film Revenue Sharing Claim Not ‘Operational Debt’, Dismisses Insolvency Plea Against Eros**

The Mumbai Bench-II of the National Company Law Tribunal refused to admit an insolvency plea filed by Gutz Feel Film Production LLP against Eros International Media Limited. The Tribunal held that a claim arising from a film revenue-sharing arrangement does not qualify as “operational debt” under the Insolvency and Bankruptcy Code, 2016.

The petition was filed under Section 9 of the Code. The operational creditor claimed a default of Rs 3.33 crore along with interest. The dispute arose from two agreements. The first related to the film English Vinglish executed in 2012. The second involved the co-production of Ki and Ka in 2016. Both agreements provided for sharing of profits after recoupment of costs.

Source: *BW Legal World*

Read Full news: [NCLT Mumbai: Film Revenue Sharing Claim Not ‘Operational Debt’, Dismisses Insolvency Plea Against Eros - BW Legal World](#)

➤ **SITI Networks reports Rs 435.69 million loss amid insolvency process**

SITI Networks Limited, currently undergoing a Corporate Insolvency Resolution Process (CIRP), has reported its un-audited financial results for the quarter and half-year ended 30 September 2025. The company’s financial position remains under significant pressure, with ongoing losses and uncertainty around its ability to continue as a going concern.

The company reported a consolidated net loss of Rs 435.69 million for the September 2025 quarter, taking its accumulated losses to Rs 29,388.36 million. Its net worth stands at a negative Rs 12,445.09 million, while current liabilities exceed assets by Rs 16,861.18 million, raising serious concerns about financial sustainability.

Source: *Indian Television*

Read Full news: [SITI Networks reports Rs 435.69 million loss amid insolvency process – Indian Television Dot Com](#)



**INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**
PROMOTED BY THE INSTITUTE OF COST ACCOUNTANTS OF INDIA