

This is called bankruptcy of bankruptcy law!

Finally, the National Company Law Appellate Tribunal, while ruling on the appeal filed by Bank of Maharashtra and IFCI Limited, rejected the proposal approved by the Committee of Creditors (COC) and directed the COC to consider new proposals in this regard.

The amount due to banks under the Bankruptcy Act was Rs 64,838.63 crore, of which only Rs 2,962 crore or 4.5% was recovered. Only Bank of Maharashtra and IFCI Limited disagreed. The compromise was approved by all the other banks and financial institutions on dotted lines.

The compromise was finally shattered when Bank of Maharashtra Management and IFCI took a bold decision against the flow. Why was the resolution agent initially appointed for proceedings under bankruptcy proceedings changed? The altered resolution agent was the head of the State Bank's NPA recovery department, which led to the settlement of the insolvency. In its judgment, the appellate tribunal insisted that the banks handle public money as trustee of the same. His comment is eloquent enough.

This is exactly the role of the All India Bank Employees Association. The Maharashtra State Bank Employees Federation is demanding that the government investigate the whole process related to Videocon and take strict action against the responsible officials.

The Bankruptcy Act was passed in 2016. The law has been amended in every parliamentary session since then in 12 accounts receivable under the Act amounted to Rs 4,42,827 crore, of which merely Rs 1,62,856 crore was recovered by banks through this process, with a sacrifice amounting to Rs 2,79,971 crore, which comes to 63%.

This raises a big question mark over the process under bankruptcy law. In the end, the AIBA's assessment is that the government has created a way for big industries to escape within the framework of the law. The government should also look into all these compromises and being the owner of PSBs, it is the government's responsibility to stop the looting of public money.

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