



In this context, The Insolvency and Bankruptcy Code (IBC) 2016 has been introduced by government which will help the resolution process in following ways:

- **Applicability to all Creditors:** The Code provides for a level playing field between domestic and foreign creditors.
- **Timely identification and speedy resolution of assets if viable.** The onus is on professionals to put forth resolution plans within 180 days.
- **Fast Track Insolvency:** Once an application for initiating fast track insolvency is made to the Adjudicating Authority, the procedure shall be completed within 90 days from the insolvency commencement date and a onetime extension of 45 days is provided.
- **Cross Border Insolvency:** The Code provides for cross border insolvency.
- **Transparency in process:** Insolvency and Bankruptcy Board of India (IBBI) is set up for promoting transparency and governance in administration of the code.
- **Change of management:** The code provides for change of management in a sick/troubled company.

But the success of the IBC is dependent on the alacrity with which the government, courts, tribunals and Insolvency and Bankruptcy Board of India (IBBI) respond to early-stage issues arising in their domain, post implementation. There are concerns that banks may lose up to 40-50 percent in settlements. Also, Sensitive Financial Information on debts and defaults collected by the Information utilities set up under bankruptcy code also needs to be safeguarded for fair process and sound financial decision making.

To complement IBC, government has also brought FRDI Bill, 2017. It is similar to IBC but deals only with companies that are in financial sector. If implementation of both is effectively done, it can be a game changer for Indian economy's health and long-term growth.

12. **Public Sector Enterprises formed the backbone of industrial development after independence, but with changing times, their role has also changed. Discuss. Also, comment on the need to adopt a multi-pronged strategy to deal with the issues that they are facing.**

**Approach:**

- Tracing the growth of Public Sector Enterprises in India and discuss how they formed the backbone of industrial development after independence.
- Analyse the changing role of public sector, particularly after the onset of economic reforms of 1991.