Q Discuss the implication of using insolvency bankruptcy code against state government owned electricity distribution companies.

the government implemented IBC to consolidate all laws ~~deal~~ -ated to insolvency and bankrupt -cy to tackle Non Performing Assets which pulling Indian econ -omy down for years.

Why we need to impliment IBC in Discoms sector :-

=> Improvment in Performance :-
as on June 2017 there were 34 Stresed thermal Power Plants with debt of 1.34 lakh crore due to non-availability of coal, lack of long term Purchase agreement payment etc. if IBC takeover this sector there is higher chances for speedier resolution and recoveries.

State-center conflict &
due to state-center issu
-e Private sector still investing
46% in Power secotor. by state
30% and central 24%. still we
are facing loss in this sector
due to this reason.

=) Poor or inadequate infra
=) account of theft
=) Bill are not being generated
=) UDity scheme failed to acheive goal
=) subsidies or free power supply.
ex. in saubhagya scheme 18,374
have been electrified.

* so varies reform we need to in power sector. and IBC have quite high chance to bring reform as they have NCLT, DRT.

=) even though it's states right to bring reform in Power sector. but center should handover IBC because no appriciatable result seen