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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

<u>“CRITICAL ANALYSIS OF INSOLVENCY LAWS AND ITS LEGAL REGIME IN INDIA”</u>

Authored By - Pragati Srivastava
LL.M. II Trimester

ABSTRACT

The Insolvency and Bankruptcy Code was enacted in 2016 with an intention to consolidate the subsisting framework by engendering a single law for insolvency and bankruptcy. It may be noted that one if the major objectives of the Code is to bulwark the fascinates of the creditors. The Code sought to remedy the sundry ‘illnesses’ suffered by the insolvency laws in the precedent regime by shifting away from the debtor-in-possession model, prevalent in the anterior regime, to the one where both the creditors and the debtors operate within a framework of equity and fairness to all stakeholders to preserve the value of the Company. However, the Code was not impeccable by all betokens, it is still a work under progress. Furthermore, in light of the Covid-19 pandemic, the regime has shifted its focus to forfending the intrigues of the businesses. Albeit, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020 seems have promulgated with the intention of forfending companies and promoters from no fault liability due to the Covid-19 pandemic, the ambiguities in the legislation seem to raise more questions than answers. In fact, the recent ordinance seems to denote a transition to the earlier model which was detrimental to the intrigues of the creditors. Ergo, this essay seeks to address analyse the issues and ambiguities with categorical reference to the 2020 Ordinance.

India adopted regime for the personal insolvencies and bankruptcies. a component of the comprehensive incipient Insolvency, Bankruptcy Code. The Code was drafted and the enacted in very short duration, personal insolvency and the bankruptcy provisions received considerably less attention. during the law-making process than provisions that relate to the corporate debtors. Ergo many fundamental question about the purport and they likely impact of these provisions remain the largely unaddressed. The Code’s provisions for the individual debtors have not yet gone into force, The regulatory agency charged with the implementing and it has recently constituted. an advisory committee, which has drafted and some proposed regulations and rules will presumably exhort the agency on the potential reforms. The advisory group’s project on review of counsel will ineluctably more public discussion on debate about the purport and the function of personal insolvency and bankruptcy law in India

Introduction:

According to the Black's law dictionary,

The term Insolvency refers to the inability to pay one's debt. The modern business environment is heavily dependent on utilization of credit by the companies.

However, in this process, there is a high degree of peril incurred by the creditors. In fact, the entire economy may come to a standstill if this credit cycle is ceased. Ergo, insolvency law seeks to bulwark the fascinates of the creditors in the event of default by the Corporate debtors ("Company"). In fact, one of the major aims of the insolvency law is to supersede this free-for-all regime with one in which creditors' rights and remedies are suspended and a process established for the orderly accumulation and entelechy of the debtor's assets and the fair distribution of these according to creditor's claims.

Insolvency laws do not give a free-leeway for corporate failures. Business life involves taking risks and dealing with crises on a customary substratum, hence, only those able to compete prosperously with each other will survive. In fact, many sick companies may. The presence of an efficient competition in the market would no doubt drive some companies to the wall (applying the neocapitalism theory). It may be inferred that the companies in the current day and age more or less run on the principle of the 'Survival of the fittest'. Some of the reasons for a corporate failure are impecunious financial controls, mismanagement and market conditions. Hence, the insolvency laws seek to remedy a corporate failure by restructuring the corporate entity to rework those issues.

The primary focus has been to avail financially distressed businesses to be renovated to profitability through the provision of efficacious rescue instruments. International institutions and organisations such as the World Bank, 45 the Amalgamated Nations Commission on International Trade Law (UNCITRAL)46 and the European Cumulation (EU) 47 have been articulating the socio-economic benefits of business reorganisation. Preventive solutions are the developing trend in insolvency law. Nevertheless, as a result of Brexit, the (recast) EU Insolvency Regulation 49 on insolvency proceedings and articles of the Directive on preventive restructuring frameworks50 no longer apply in the UK. This betokens that the law of the UK and the pertinent domestic laws of each individual member states apply.

Insolvency is referred to the inability to any licit person to discharge all the debts and they become due. It is the state or condition to have more debts (liabilities) than the total assets which may available to pay them, Even if assets were mortgaged or sold. Insolvency takes place in certain things transpires. In some of which may comprise of: mismanagement of mazama, inflation in the mazama expenses, or minimization of mazama flow. The detection of the insolvency is paramount; as the creditors are potentiated and entitled to exercise the categorical rights against insolvent and individual or organization. For example, the liquidating assets of insolvent party may be habituated to pay outstanding debts. Prior to the process with liquidation process, it is prevalent for the insolvent entity to meet the creditor in order to endeavour the arrange an alternative payment method. In context of the companies laws, the word "insolvency" has been used or defined in India. Sec.433 (e) of the Companies Act, 1956 deals with the company, which is "unable to pay its debts", and as it result of which constitutes a ground for winding up of the company. Inability to pay its debts that would be a situation in which, a company's entire capital is disoriented in the heftily ponderous losses and no accounts are found and filed and no business is carried out for 1 year. Section 271(1)(a) of 2013 Act relates to the winding up by the Tribunal on account of lack of competency to pay the debts, has now been omitted by the Section 255 of the Code . The same is now dealt with the Insolvency and Bankruptcy Code, 2016 by Sections 7 to 9 of the Code, being initiation by corporate insolvency resolution process of financial and operational creditors.

An application to the adjudicating ascendancy (National Company Law Tribunal) for initiation of the corporate insolvency resolution process can be made only with their "default" in payment of debt by corporate person. In this regard, it is to be noted by the term "default" has been defined has in the Code to mean nonrepayment of the debt, whether the whole or in a component, which has become due and payable by the corporate person. This would suggest that, now under the Insolvency and Bankruptcy Code, 2016, insolvency is resolution proceeding can be triggered even against the financially solvent of the company which has made the default in payment of its debts, since the same would fall within the ambit of "default" under Code.

Meaning and origin of Insolvency, Bankruptcy and Code

The present time in India, an eminent ascending economy, is endeavouring to the resuscitate and manage its high and development rate, it is rudimentary that financing requisites with any shape be evacuated and an ideal nature be made for the cultivating business and rivalry. In this concrete circumstance, a well working and precise the corporate bankruptcy and system comprising of very

much characterized standards, methods and courses of events and the efficacious establishments, it is fundamental for potentiating the advancement of vigorous International Journal of Pristine and Applied Mathematics Special Issue 986 household credit markets.1 Anyway in India at the present absences of a solitary, exhaustive law that inclines to all components of bankruptcy of the undertaking. On a fundamental level the Companies Act of 1956. It contains the fundamental lawful arrangements, which is managing the corporate indebtedness.

In all authenticity however three laws, two auxiliary laws and one extraordinary arrangement to address different components of it. there is an alternate substrata and offices characterized under the every law and arrangements with ineluctable clashes of the purview between them. The present framework does not address the premiums of unsecured loan authoritative figures, (for example, investors), outside leasers or substrata other than banks, (for example, Non-Banking Finance Companies or NBFCs). Organizations underpins indebtedness process, for example, committed insolvency seats in the councils, official vendors, credit registry and credit departments, have not accomplished the inhibition and facility to avail differing set of the leaders2 . The discontinuity of the legitimate structure and the extravagant deferrals in the sanction, make incentivizing forces for the lease probing for by the different members in the bankruptcy procedure. The results of the present framework concerning the time taken to determine the corporate bankruptcies, the expenses cognate with the procedures and supplementally leasers' recuperations, have been to a great degree poor and falling a long ways behind for those of different economies, establishing the fortified and the reactions of the general system in the course of the most recent few decenniums.

The paramountcy of indebtedness and chapter 11 isn't same bankruptcy implicatively insinuates the circumstance where a substance can't raise enough mazama to meet its commitments. Chapter 11 implicatively insinuates it transpires when a court has decided indebtedness and has given legitimate requests for resolutions4Code implicatively insinuates it transpires uniform indebtedness enactment including all organizations is sodality and people. Bankruptcy is the point at which an individual or sodality can't meet remarkable or the mazama cognate obligation towards loan specialist as it.

In Aceh. International Journal of Pristine and Applied Mathematics Special Issue 987 up due. Indebtedness can be settled by the method for transmuting of the reimbursement design of the advances or discounting the component thereof. it can't be settled, at that point the lawful activity

may lie against ruined and its benefits will be sold to pay off the extraordinary obligations. By and astronomically immense, an official culled one/outlet culled by the Regime of India, understands the benefits and designates it among loan ascendant figures of the ruined. Bankruptcy proceedings commence with the composition of a Bankruptcy Order by the Court. Immediately on making the Order the Official Receiver becomes receiver and manager of the bankrupt's estate, pending the appointment of a trustee5

Where there are consequential assets, an insolvency practitioner will customarily be appointed to act as trustee, either by a meeting of creditors or by the Secretary of State for BIS. An application for a Bankruptcy Order may be made by any creditor owed more than £750 or by the individual himself. Subject to certain exemptions, once the Order is made, control of the bankrupt's assets pass to the Official Receiver and then to the trustee6 . The bankrupt loses any right to his property apart from any equipment needed by him for use in his business, and rudimentary domestic equipment such as attire, bedding and furniture, and certain pension rights. There are special rules regarding the bankrupt's home. Generally verbalizing, if the bankrupt has equity in a house, it will require to be realised. The law though deters a trustee from taking steps to coerce a sale through the Court during the first twelve months of the bankruptcy where the bankrupt is espoused or has adolescent children living with him. Rules introduced in April 2004 give the trustee three years from the date of the Bankruptcy Order to sell the house or otherwise deal with the bankrupt's interest in it. If he does not do so within that time, the property will revert to the bankrupt. Withal if the value of the equity is less than £1,000 the trustee will not be able to sell it at all. There are certain restrictions of bankruptcy which customarily last until the bankrupt is discharged (albeit his assets remain with the trustee). If the bankrupt has an income above his needs and those of his dependants, he may be required to make contributions of this "surplus" to his creditors for up to three years. Until his discharge, the trustee may withal claim any property acquired by the bankrupt after the Bankruptcy Order, such as assets left to him in a Will.

THE EVOLUTION OF BANKRUPTCY LAWS IN INDIA

In the Presidency – towns the foremost Insolvency court were put in place by denotes of statute 9 Geo.4,c. 73, go in the year 18284 . Rudi mentally those were the courts established to avail the Insolvent Debtors. They were individual courts as well as courts of records. Any person perturbed because of the cull of the abovementioned court can move or proceed to the Supreme Court which is to be regarded as above all. The Supreme Court organized the capacity to auricularly discern the accumulation and transfer such kind of requests as it distinguished fair and considerable and

identical application or demand is to be deferred through the courts for the mitigation of insolvent or the borrower. The workers of the court of insolvency were entrusted by the Supreme Court. One of such official was regarded as "normal appointee". In the event that an appeal for mediation was initiated or originated by one lender as well an order for arbitration was engendered the property interest of the indebted entrusted in the simple culled one by uprightness of the request. Acquiescent was in further made for the break guarantee orders. Indian Insolvency Act, 1848 It was the year 1848 when the past approbations were revoked and other Act was adopted so-called the Indian Insolvency Act, being 11 and 12 Vic. c. 21.5 The Act stored the provisions among all merchants and non-brokers make categorical reference6. Through this Act the Courts only for the alleviation of Insolvent Debtors established by the Act of 1828 were supposed to be moved however the Court was to take place within the assiduous watch of judges of Supreme Court. Administration towns Insolvency Act, 1909 In advance of agenda in the twentieth century it was believed that the Indian Insolvency Act, 1848 has proven out to be antiquated and it was elected or we can verbalize nominated to engender separate law predicated on English Bankruptcy Acts. Same Act i.e. The Act of 1848 was to be believed as having no value or coindicant annulled and consequently a different separate Act was approved in 1909 being the Presidency-towns Insolvency Act7 taking into account of the Bankruptcy demonstration 1883 and the Bankruptcy Act 1890. As everything has an imperfection likewise the Indian Insolvency Act withal has its own imperfections, one of the main and solid defaults was that the Act was rather benefitting the borrowers to more preponderant extent but not lenders. The troops of licit assignee were exceedingly restrained. He just brought assets together and had no vigour to consider the quantifications. By betokens of incipient Act cyclopean vigour was provided rather given to the courts to push the disclosure of the indebted property. Section 79 verbalizes and requires the official trustee to investigate or inspect the case of bankruptcy and provide an answer or respond to the court upon whatsoever application for liberating verbalizing whether there is impartment to trust that the wiped out had granted any indebtedness malefactions or certain other malefactions mentioned under segment 421 to 424 of the Indian Penal Code8 with concern to his indebtedness or which would justify the court in cannot, interrupting or inhibiting a request for his relinquishment.

DIFFERENCE BETWEEN BANKRUPCY AND DEFAULT

Defaulting on an account and filing bankruptcy both can hurt your credit, but they're far from the same thing. Defaulting is when a borrower falls behind on payments. Bankruptcy is a legal process that you can use to get your debts discharged or get on a more manageable repayment plan.

5-1 What Does It Mean to Default on a Credit Account?

When you take out an impress or open a credit card, you accede to a contract that outlines your payment amount as well as how and when you require to make your payments. If you don't follow the acquiescent and neglect to pay, your account can go into default.

Generally, a missed payment will initially lead to being delinquent and your account won't go into default until you've been delinquent for several months. However, the number of payments you'll require to miss afore defaulting can depend on the type of loan, lender and your acquiescent.

For example, direct federal student loans default once you're 270 days past due, but Federal Perkins Loan (which are no longer available to incipient borrowers) can default if you're one day tardy.

Defaulting on a credit account can have sundry repercussions. With installment loans, you may get kicked off your monthly payment plan and owe the entire amount immediately. If you have a secured loan, such as an auto loan backed by a conveyance, the creditor may repossess the car used to back it up. And if you're 60 or more days tardy with a credit card, the issuer may apply a penalty annual percentage rate (APR) to your current and future balances.

There additionally may be penalties for being one day tardy. Even if the creditor considers this delinquent rather than in default it may charge you a tardy payment fee or take away promotional interest rates, such as a promotional 0% APR on purchases. Some creditors, however, withal give you a grace period and there won't be any consequences if you bring your account current during the grace period.

Once you're 30 or more days tardy, the creditors can additionally report your tardy payments to the credit bureaus. The tardy payments can hurt your credit and will stay on your credit report for seven years

.5.2 How Does Bankruptcy Work?

Borrowers who are inundated by debt and unable to catch up on payments may decide to file a Chapter 7 or Chapter 13 bankruptcy. (There are other types as well, but these are the most prevalent options for consumers.) The bankruptcy procedure and the consequences it will have depends on the type of bankruptcy you undergo.

A Chapter 7 bankruptcy (additionally called a liquidation bankruptcy) can discharge many types of unsecured loans. These could include credit card balances, medical bills and unsecured personal loans, but student loans generally can't be wiped away through bankruptcy.

During the process, a court-appointed trustee can sell off your possessions and utilize the mazuma to pay your creditors. There are exemptions that may sanction you to keep some retirement savings and certain possessions (depending on their value).

A Chapter 13 bankruptcy (or reorganization bankruptcy) lets you keep your property while you commit to an incipient payment plan with your creditors. Generally, the payment plan lasts three to five years and any remaining debts will be discharged once you consummate the orchestration. But you'll require to have enough income to afford the payment plan. With a Chapter 13 bankruptcy, there are limits on how much debt you can have—currently, about $400,000 in unsecured debt and $1.1 million in secured debt.

Regardless of which one you pursue; Chapter 7 and Chapter 13 bankruptcy will have major consequences. Your credit scores can take a consequential hit, and you may find creditors indisposed to approve your applications for incipient accounts if you've declared bankruptcy in recent years. The bankruptcy record will stay on your credit reports for up to 10 years (for a Chapter 7) or seven years (for a consummated Chapter 13) and perpetuate to impact your credit during that time

5.3 Other Options for Dealing With Debt

If you're having trouble paying all your bills, you may find yourself prioritizing which payments to make as scheduled and which to let go past due. You may have even researched how to file for bankruptcy. But don't overlook your other options.

First, contact your creditors. Some companies offer hardship plans that could lower your monthly payment, transitorily decrease your interest rate, or let you pause your payments. Withal look into

variants of debt consolidation programs, such as a debt consolidation loan or debt management plan. These can avail decrease your monthly payment, which may sanction you to stay current on your impress and eschew hurting your credit. Declaring bankruptcy will have a major negative effect on your credit, so meticulously consider your options to hopefully eschew that outcome.

LIQUIDATION

Tax and Obligation Manual Liquidation of Companies and other Company Law Issues The information in this document is provided as a guide only and is not professional exhortation, including licit exhortation. It should not be postulated that the guidance is comprehensive or that it provides a definitive answer in every case. 1 Accumulation Manual Liquidation of Companies and other Company Law issues Document updated June 2023 Tax and Obligation Manual Liquidation of Companies and other Company Law Issues

In the majority of cases, one or an amalgamation of the standard enforcement methods will conventionally be prosperous in securing payment of an outstanding tax debt. However, in certain cases the caseworkers will require to consider alternative possibilities to secure payment. Apart from enforcement action other possibilities to avail secure the tax debt might withal be used – such as: (a) ascertain a tax clearance certificate does not issue, where felicitous, or (b) increase the rate of RCT deducted from a subcontractor's payment from either 0% or 20% to 35%, where there are earnest compliance issues.

Where the tax debt cannot be brought under control more direct action will be required. In the case of a company this will conventionally mean the liquidation of the company needs to be considered. The following material is either exempt from or not required to be published under the Liberation of Information Act.

6.1 What is Liquidation?

Liquidation (or winding-up) is a process under Company Law that results in the company ceasing to subsist. A company can decide to go into voluntary liquidation in which case the company arranges voluntarily to enter liquidation. Where a third party (an unpaid creditor) wishes to pursue liquidation of an insolvent company, as its debt is not being addressed, application must be made to the High Court for a decision on whether a liquidator should be appointed to the company. The liquidator's job is to realise the assets of the company and to pay the creditors (including Revenue) from the proceeds of any assets in the company. Where there are deficient mazama to pay all the creditors, the mazama available are distributed to creditors in a particular order of predilection

(visually perceive Paragraph 10).

Enforcement Ascendancy (CEA) on how the affairs of the company were conducted by the directors. In some cases, this can result in individuals being restricted or disqualified from acting as company directors in future. 2.3 The cessation result of liquidating a company designates the company is abstracted from the Companies Register and ceases to have a licit subsistence. Tax and Obligation Manual Liquidation of Companies and other Company Law Issues

6.2 When is it appropriate to seek liquidation of a company?

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

6.3 Procedure for Liquidation

The general procedure consists of the accommodation of an injunctive authorization for payment on the company and if the ordinant dictation is not paid then an application may be made to the High Court for the appointment of a liquidator. The following material is either exempt from or not required to be published under the Liberation of Information Act 2014
Following the enactment of the Companies Act 2014, the minimum amount for an authoritative ordinance is €10,000 for one creditor or €20,000 for two or more creditors. This injunctive authorization is kenned as a Section 570 letter (after the pertinent provision in the Companies Act 2014) and must be signed by the Collector-General. The company has 21 days to pay the liability set out in the Section 570 letter, failing which the Revenue Solicitor's Office can apply to the High Court for the appointment of a liquidator (but visually perceive additionally Paragraph 8 below regarding provisional liquidator). The Companies (Sundry Provisions) (Covid-19) Act 2020 incremented the minimum amount for an injunctive authorization to €50,000. Tax and Obligation Manual Liquidation of Companies and other Company Law Issues 5 The following material is either exempt from or not required to be published under the Liberation of Information Act 2014. Amassing Tax Debts of Group Remitting Companies The following material is either exempt from or not required to be published under the Liberation of Information Act 2014.

Pertinent Contracts Tax (RCT) in Liquidation, Receivership or Examinership Tax law provides no exemption from the operation of RCT in the case of liquidation, receivership or examinership. Revenue takes the view that all aspects of RCT law, including deduction by the principal contractor and offset by Revenue of RCT against outstanding taxes, must be applied as mundane, notwithstanding the fact that a liquidator, receiver or examiner has been appointed to the

subcontracting company.

As such, any RCT deducted from a company in liquidation, receivership or examinership and remitted to Revenue will be offset against outstanding taxes in the order statutorily provided for, with any balance being recompensed to the liquidator, receiver or examiner.

Revenue does, however, distinguish between RCT deducted on foot of a contract entered into by a company prior to receivership or liquidation and incipient contracts entered into by the receiver/liquidator (in his capacity as receiver/liquidator of the company) should the receiver/liquidator perpetuate to trade the business. In such cases, if the contract which gave ascend to the RCT deduction was entered into by the liquidator/receiver following their appointment, the RCT deducted should be offset only against liabilities of the post-appointment period, with any balance being recompensed to the liquidator/receiver. If it is not pellucid whether the pertinent contract was entered pre- or post- appointment, the receiver/liquidator should be asked to demystify the position. The tax number of the subcontractor shown on the RCT Deduction Card might be informative in this situation.

It should be noted that where a company prosperously exits examinership and tax has been inscribed off in line with the Court-approved scheme of arrangement, these taxes cannot be subsequently indited back in for the purposes of offset. Tax and Obligation Manual Liquidation of Companies and other Company Law Issues 6 The following material is either exempt from or not required to be published under the Liberation of Information Act 2014.

Other Creditors seeking Liquidation In some instances, another creditor may petition the High Court to appoint a liquidator to a company. Where this transpires and there is an outstanding tax debt, Insolvency Unit will contact the caseworker to discuss whether or not the petition should be fortified by Revenue. In some cases, the pristine petitioner may subsequently withdraw his/her petition, in which case Revenue can decide whether or not it wishes to pursue the liquidation. The following material is either exempt from or not required to be published under the Liberation of Information Act 2014

6.4 Provisional Liquidator

For solemn cases where exigent action is needed, it may be possible to get the High Court to accede to appoint a provisional liquidator (this evades the desideratum for the Section 570 letter

and the 21 days replication period). Appointment of a provisional liquidator needs to be considered where there are paramount outstanding liabilities, and information becomes available to suggest that assets are being abstracted from the company in advance of closing down, or that creditors are being disadvantaged in some other way. If no other enforcement option is congruous, seeking the appointment of a provisional liquidator may be opportune. The following material is either exempt from or not required to be published under the Liberation of Information Act 2014

6.5 Struck off Companies/Dissolved Companies

In certain circumstances, (customarily for failing to lodge company returns to the CRO), a company can be "struck off" the Company Register and "dissolved". In general, the fact that the company is struck off should not be a factor in deciding whether or not to pursue liquidation. If the case meets the congruous circumstances, liquidation should be pursued. Tax and Obligation Manual Liquidation of Companies and other Company Law Issues 7 If it is not already kenned that the company has been dissolved, this will become ostensible from examination of the Companies Office database where the status of the company will be described as "dissolved". In the case of a "struck off" company the same procedures, i.e. accommodation of Section 570 letter etc.

Conclusion

The corporate insolvency law can lay out clear and well defined provision governing the procedures at each stages, efficaciously and time resolution of an insolvency case will depend to an immensely colossal extent on the efficacy with those provisions and rules are enforced. The propose, which I have mentioned in my earlier, will go a long way in forfending interest of the creditors in an insolvent company; nonetheless few more steps are desirable. Here are my few suggestions as to what the Indian Regime should do to ameliorate its insolvency system.

At the first glance, it may be visually examined that the Code strives to remedy the issues, such as the prevalence of the debtor-in-possession model which was predominant in the anterior regime. However, in light of the recent trends in the law, one may infer that the law seems to go back to the earlier model. The main intention of the Code, which was to forfend the intrigues of the creditors is currently being neglected in an effort to 'protect the intrigues of the company'. Albeit, the 2020 Ordinance seems have promulgated with the intention of bulwarking companies and promoters from no fault liability due to the Covid-19 pandemic, the ambiguities in the legislation seem to raise more questions than answers. The Ordinance must ascertain not become

a double-edge sword which has the potential to defraud/affect the intrigues of the minuscule scale vendors, MSMEs and individual creditors who more often than not fall into the category of operational creditors, especially those whose credit falls below 1 crore rupees. The legislative wing must ascertain that Section 10A does not become an implement for regaining the defaulter's paradise, which the enactment Code sought to achieve in the first place. The legislature and adjudicating ascendancy withal needs to be mindful of the implementation of the Ordinance, which may possibility open a plethora of floodgates to litigation on account of provisions introduced in the ordinance providing an exemption period for defaults and the restriction on filing of fraudulent/wrongful trading applications by resolution professionals among other things.