Group II

Liquidation of Companies [8-10 mks]

Liquidation of company means winding up of company either by compulsory liquidation [by order of court] or voluntary liquidation [by shareholders]. An Official liquidator is appointed in case of compulsory liquidation and A liquidator is appointed in case of voluntary liquidation.

Part A : Statement of Affairs (this statement is prepared before commencement of liquidation on an estimated basis)

Part B : Liquidator's final Statement of Affairs (this statement is prepared between date of winding up and completion of liquidation on an Actual Basis)

Part C : B- list contributories

→ Part B: Liquidator's Final Statement of Affairs.
(Actual Basis)

Receipts	(₹)	(₹)	Payments	(₹)	(₹)
To balance b/d			By Legal charges		
To Assets not Specifically pledged			By Liquidator's remuneration		
To surplus on Assets pledged			By Liquidation Exps.		
Assets Specifically Pledged			By Preference Liab.		
Less: Secured Liab.			By Liab with floating charge [Debenture holders]		
To calls in arrears			By unsecured liability		
To calls from contributories on Shares @ Rs......			By PSC + Arrears of Pref. dividends		
			By calls in Advance		
			By ESC		

Preferential liability (List C):

As per Sec 530, Creditors that have to be paid in priority to unsecured creditors and creditors having floating charge are included in preferential liability. Preferential liability includes the following:

(a) Govt dues within 12 m
(b) wages and Salaries (not exceeding 4m Salary in case of Skilled employee and max ₹20,000 per employee)
(c) worker or employee compensation (PF, Pension etc)

→ Part C : B-list Contributories (4-5m)

Contributories are those shareholders holding partially paid up Equity shares.

A list contributories are those shareholders whose name is entered in the register of members (ROM) on date of liquidator

B list contributories are the shareholders who had transferred partly paid up shares (otherwise then by operation of law or death - A list) within 1 year prior the date of winding up

B list contributories can be called up to pay such proportionate liability that existed on the date of transfer of such shares or unpaid call whichever is lower.

They can be called up only if liquidator could not pay from the existing funds as well as the current A list shareholders has failed to pay the amount of partly paid up shares.

→ Part A: Statement of Affairs (Estimated basis)

List A   Asset NOT specifically pledged ✓
List B   Asset specifically pledged ✓
List C   Preferential liability ✓
List D   liability with floating charge ✓
List E   Unsecured creditors + deficiency as per list B ✓
List F   Pref. share cap + Arrears of Pref. div ✓
List G   Equity share capital ✓
List H   Deficiency statement. ✓

______ Ltd in Liquidation

Statement of Affairs (Form 57)

List	Particulars	Estimated Realisable Value
		XX
List A	Asset not specifically pledged	
List B	Asset specifically pledged	

Asset	ERV	Due to Secured creditors	Deficiency	Surplus
1	X			
2	X			
Total	XX			

Summary of Gross Asset

Asset specifically pledged	XX
Asset not specifically pledged	XX
Gross Asset	XX

Gross Liability		
XX	Secured as per list B Balance	
XX	List C preferential liabilities Balance	XX
XX	List D Liability with floating charge on asset Balance	XX
XX	List E Unsecured Crs + Deficiency as per List B Balance	XX
XX	List F Pref. Sh cap + arrears of pref. dividend Balance	XX
XX	List G Equity share capital	XX
	Estimated deficiency / Surplus	XX

Format

List H : Deficiency Statement [___ years]

(A) Items contributing deficiency	
(1) Excess share of capital and liabilities over assets (C/S or Dr. bal)	XX
(2) Trading losses during the period	XX
(3) Non-Trading losses during the period (loss by theft, speculation loss, government penalty)	XX
(4) Any ↑ in liab or ↓ in asset amt at the time of realisation.	XX
(5) Dividend / Bonus declared during the period	XX
(6) Other items	XX
	XX
(B) Items Reducing Deficiency	
(1) Excess of assets over capital (C/S Cr bal)	XX
(2) Trading profits	XX
(3) Non Trading profits	XX
(4) Other Items	XX
	XX
Deficiency	XX