# Corporate Accounting

# Unit-3 Liquidation of Companies

### STATEMENT OF AFFAIRS

المحميد المدار المتوجر PROBLEM 1. M Co. Ltd. went into voluntary liquidation on 1st March 2018. Following balances are extracted from its books on that date :

The second section of the

5000

| balance  | ₹   |  |                       | ₹  |
|--|---|--|-----------------------|--|
| Capital :<br>50,000 equity shares of<br>₹ 10 each<br>Debentures (secured by a<br>floating charge)<br>Bank Overdraft<br>Creditors | 5,00,000<br>2,00,000<br>30,000<br>240,000<br>7,70,000 | Buildings<br>Plant and Machinery<br>Stock-in-Trade<br>Book Debts<br>Less : Provision<br>Calls in Arrears<br>Cash on hand | ₹<br>75,000<br>10,000 | 1,50,000<br>3,50,000<br>95,000<br>65,000<br>1,00,000<br>10,000<br>7,70,000 |

Plant and Machinery and Building are valued at ₹ 1,50,000 and ₹ 1,20,000 respectively. On realisation, losses of ₹ 15,000 are expected on stock. Book debts will realise ₹ 70,000. Calls in arrears are expected to realise 90%. Bank Overdraft is secured against Buildings. Creditors include preferential creditors for taxes and wages are ₹ 6,000 and Miscellaneous Expenses Outstanding ₹ 2,000.

Prepare a Statement of Affairs to be submitted to the meeting of creditors. SOLUTION

### STATEMENT OF AFFAIRS OF M CO. LTD.

as on 1st March, 2018

|  | Estimated<br>Realisable<br>Values |
|--|-----------------------------------|
| Assets not specially pledged (as per List A) | ₹                                 |
| Cash in Hand                                 | 10,000                            |
| Sundry Debtors                               | 70,000                            |
| Calls in Arrears                             | 90,000                            |
| Stock-in-Trade                               | 80,000                            |
| Plant and Machinery                          | 1,50,000                          |
|  | 4,00,000                          |

|   | (4)   | (5)   | (?)  | ( 1)  |                   |
|---|---|---|--|---|-------------------|
| 1 . T                                       | becially pledged (as per List B)<br>Estimated<br>Realisable<br>Value<br>₹<br>1,20,000   | Due to<br>Secured<br>Creditors<br>₹<br>30,000 | Deficiency<br>ranking as<br>unsecured<br>₹ | Surplus<br>carried to<br>last column<br>₹<br>90,000 |                   |
| Buildings<br>Estimated su                   | irplus from assets specially pledg  |   |  | 90,000  | 90,000            |
| secured                                     | tal assets available for preferenti<br>by a floating charge and unsecu<br><i>Gross Assets :</i>                                     |   |  | s @c  | 4,90,000          |
| Gross realise<br>Other assets               | able value of assets specially ple  | dged  | shing                                      | 1,20,000<br>4,00,000<br>5,20,000                    |                   |
| Gross<br>Liabilities<br>₹<br>30,000<br>6000 | Secured creditors as per List B<br>estimated to be covered by<br>Preferential creditors as per List                                 | the extent to<br>assets specia                | ally pledged                               | M actores   | 6,000             |
| 2,00,000                                    | Estimated balance of assets aver<br>by a floating charge and una<br>Debentureholders secured by a                                   | secured cred                                  | itors                                      |   | 4,84,000 2,00,000 |
| 34,000                                      | Estimated surplus as regards de<br>Unsecured creditors as per List<br>Liabilities for purchases (₹<br>Miscellaneous expenses outsta | E) ,  | day alguning                               | ملائر محسود<br>32,000<br>2,000                      |                   |
| 2,70,000                                    | Estimated surplus as regards c  | a can al da                                   | g the difference                           |   | 34,000            |
| (au), (r., 1                                | gross assets and gross liab   | ilities <i>i.e.</i> ₹ 5                       | ,20,000 – ₹ 2,70                           | ),000)  | 2,50,000          |

**PROBLEM** 2. 'A' Ltd. is to be liquidated. Their summarised Balance Sheet as at 30th September, 2018 appears as under :

| Bluotinites 1                     | And a Repart of Bank 199 with a the same   | ₹           |
|-----------------------------------|--|-------------|
| 5,00,000 Equity Shares of ₹ 100 € | ach says and south and southars have a   | 50,00,000   |
| Secured Debentures (on Land an    | d Buildings)   | 20,00,000   |
| Unsecured Loans                   | personal of the particulation of the standard of the providence of the standard of the standar | 40,00,000   |
| Trade Creditors                   | STATEMENT OF AFFAIRS OF M CO.  | 70,00,000   |
|                                   | 810% PLAN 121 00 34  | 1,80,00,000 |
| Assets :                          |  |             |
| Land and Building                 |  | 10,00,000   |
| Other Fixed Assets                |  | 40,00,000   |
| Current Assets                    |  | 90,00,000   |
| Profit and Loss Account           | A tour of the provides (as provide the company of t | 40,00,000   |
|                                   |  | 1,80,00,000 |
| Contingent Liabilities are :      |  | 0           |
| For Bills Discounted              |  | 2,00,000    |
| For Excise Duty Demands           | ( as the second  | 3,00,000    |

On investigation, it is found that the contingent liabilities are certain to devolve and that the assets are likely to be realised as follows :

| 100 and at bitamite. Include | ₹<br>22,00,000<br>36,00,000<br>70,00,000 |
|------------------------------|--|
|                              | 70,                                      |
|                              | 1970) - among at berarrise had           |

### Taking the above into account, prepare the Statement of Affairs. SOLUTION

Statement of Affairs of 'A' Ltd. (in Liquidation) as on 30th September, 2018

|  |  | distanti (S.)  | dan sain an<br>Marina dan dan dari  | non bailer   | an a                                  | Estimated<br>Realisable<br>Value (₹)                   |
|--|--|--|---|--|---|--|
| Assets not specif<br>Other Fixed<br>Current Asse<br>Assets specifical  | Assets<br>ets  | 1000-100-1<br>1000-100-1<br>1000-000-1   | god boliom<br>-d.a. (y ber<br>b) [ / et au<br>1 d alarea  | (Inspirior)  | nin an airean an a                       | 36,00,000<br>70,00,000<br>1,06,00,000                  |
|  |  | Estimated<br>Realisable<br>Value<br>₹  | Due to<br>secured<br>creditors<br>₹   | Deficiency<br>ranking as<br>unsecured<br>₹   | Surplus<br>carried to the<br>last column<br>₹                             | nor) antall<br>nor) antall<br>non-seneri<br>non-seneri |
| Land and Buildin   | ng sa  | 22,00,000  | 20,00,000   |  | 2,00,000  | 2,00,000   |
| Summary of Gr<br>Gross Realisabl<br>Other Assets<br>Total Assets   |  | ets Specifically   | bledged   | i sei  | 22,00,000<br>1,06,00,000  |  |
| 10101 135015   |  |  |   |  | 1,28,00,000   |  |
| Gross<br>Liabilities   |  |  | Liabilities   |  | G   |  |
| Gross  | estimated to be<br>Preferential Cr   | itors (as per Li<br>e covered by as<br>editors (as per l   | st B) to the<br>sets specifica<br>_ist C)—for d   | ally pledged<br>emand of Exc   | ich claims are<br>cise Duty   |  |
| Gross<br>Liabilities<br>20,00,000<br>3,00,000  | estimated to be<br>Preferential Cr<br>Balance of As<br>Charge and U  | e covered by as<br>editors (as per l<br>sets available fo<br>nsecured Credit   | st B) to the<br>sets specifica<br>_ist C)—for d<br>or Depenturent<br>ors  | ally pledged<br>emand of Exc<br>nolders Secur  | ich claims are<br>cise Duty<br>red by Floating                            |  |
| Gross<br>Liabilities<br>20,00,000  | estimated to be<br>Preferential Cr<br>Balance of Ass<br>Charge and U<br>Debenturehold<br>Unsecured Lo<br>Trade Creditor<br>Liability for Bill                  | e covered by as<br>reditors (as per l<br>sets available for<br>nsecured Credit<br>ders Secured by<br>ans Covered by ans Covered by ans Covered by<br>ans Covered by ans Covere | st B) to the<br>sets specification<br>list C)—for do<br>r Depenturent<br>ors<br>Floating Cha<br>Contingent)               | ally pledged<br>emand of Exc<br>nolders Secur<br>arge (as per L                                    | ich claims are<br>cise Duty<br>red by Floating<br>ist D)                  | 1,05,00,000<br>  |
| Gross<br>Liabilities<br>20,00,000<br>3,00,000<br>3,00,000<br>40,00,000<br>70,00,000<br>2,00,000<br>1,35,00,000 | estimated to be<br>Preferential Cr<br>Balance of Ass<br>Charge and U<br>Debenturehold<br>Unsecured Lo<br>Trade Creditor<br>Liability for Bill<br>Estimated Def | e covered by as<br>reditors (as per l<br>sets available for<br>nsecured Credit<br>ders Secured by<br>ans whether a<br>s Discounted (C<br>ficiency as regan<br>ross Liabilities)  | st B) to the<br>sets specification<br>ist C)—for do<br>r Depenture<br>ors<br>Floating Cha<br>Contingent)<br>rds Creditors | ally pledged<br>emand of Exc<br>nolders Secur<br>arge (as per L                                    | ich claims are<br>cise Duty<br>red by Floating<br>ist D)                  | 1,05,00,000<br>40,00,000<br>70,00,000<br>2,00,000      |
| Gross<br>Liabilities<br>20,00,000<br>3,00,000<br>40,00,000<br>70,00,000<br>2,00,000                            | estimated to be<br>Preferential Cr<br>Balance of Ass<br>Charge and U<br>Debenturehold<br>Unsecured Lo<br>Trade Creditor<br>Liability for Bill<br>Estimated Def | e covered by as<br>reditors (as per l<br>sets available for<br>nsecured Credit<br>ders Secured by<br>ans Under curd<br>rs<br>ls Discounted (C<br>ficiency as rega  | st B) to the<br>sets specifica<br>ist C)—for do<br>r Depentureh<br>ors<br>Floating Cha<br>Contingent)<br>rds Creditors    | ally pledged<br>emand of Exc<br>nolders Secur<br>arge (as per L<br>(Difference b<br>as per List G) | ich claims are<br>cise Duty<br>red by Floating<br>ist D)<br>between Gross | 1961 B. 19   |

**PROBLEM 3.** Following information is extracted from the books of a limited company on June 30, 2018 on which date a winding up order was made.

| ALL ALL DE LESS AND ALL ALL ALL ALL ALL ALL ALL ALL ALL AL  | 5                         |
|---|---------------------------|
| to be a second and the second s | 4,050                     |
| Cash in Hand  | ₹                         |
| Book Debts :  | 75,000                    |
| Good  | 15,000                    |
| Doubtful (estimated to produce 40%)   | 9,000                     |
| Bad   | 99,000                    |
| ± 1 10 350)   | 1,44,00                   |
| Stock in Trade (estimated to produce ₹ 1,19,350)  | 3,30,00                   |
| Freehold Land and Buildings (estimated to produce ₹ 3,91,000)   | 1,50,00                   |
| Plant and Machinery (estimated to produce ₹ 1,06,000)   | 25,00                     |
| Fixtures and Fittings (estimated to produce ₹ 15,000)   | 4,00,00                   |
| Equity Share Capital, 40,000 shares of ₹ 10 each  | 6,00,00                   |
| 10% Preference Share Capital, 6,000 shares of ₹ 100 each  | 8,00                      |
| Calls in arrears on equity shares (estimated to produce ₹ 4,000)  |                           |
| 9% First Mortgage Debentures, secured by a floating charge on the   | 4.00.00                   |
| whole of the assets of the company  | 4,00,00                   |
| Creditors fully secured (value of shares in A Ltd. ₹ 80,000)  | 70,00                     |
| Creditors partly secured (value of shares in B Ltd. ₹ 40,000)   | 80,00                     |
| Preferential Creditors  | 15,00                     |
| Bank Overdraft, secured by a second charge on the whole of the  |                           |
| assets of the company   | 40,00                     |
| Unsecured creditors   | 5,20,00                   |
| Estimated liability on bills discounted   | 20,00                     |
| Prepare a Statement of Affairs : (a) as regards creditors ; and (b) as  | s regards contributories. |
|   |                           |

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|-----|----|----|---|
|     |    |    |   |

STATEMENT OF AFFAIRS OF ... LTD.

|  | Assets   | 00 (300 st);                                |   | aten al -                  | Estimated<br>Realisable<br>Value  |
|--|--|---|---|----------------------------|---|
| Assets not Specifical<br>Cash in Hand<br>Trade Debtors (<br>Unpaid Calls<br>Stock in Trade<br>Freehold Land a<br>Plant and Mach<br>Fixtures and Fit<br>Assets Specifically F | ₹ 75,000 + 40/100<br>and Buildings<br>inery<br>tings | of ₹ 15,000)<br>েত0                         | Deficiency<br>ranking as                | Surplus<br>carried to      | ₹<br>4,050<br>81,000<br>4,000<br>1,19,350<br>3,91,000<br>1,06,000<br>15,000<br>7,20,400 |
| Shares in A Ltd.   | value<br>₹<br>80,000                                 | creditors<br>₹<br>70,000                    | unsecured<br>₹                          | last column<br>₹<br>10,000 | ः<br>()-)-(स्वित्यः)<br>() ((य.स)   |
| Share in B Ltd.  | 40,000   | 80,000                                      | 40,000                                  | 10,000                     | - maint   |
| Estimated surplus fr   | om assets specially                                  | y pledged                                   |   | to states                  | 10,00   |
| Estimated total asse<br>by a floating ch<br>unsecured cred   | harge, bank overdra                                  | ferential creditors,<br>aft secured by a se | debentureholders<br>cond floating charg | secured<br>ge and          | 7,30,40   |

|  | SUMMARY OF GROSS ASSETS  |                      |
|--|--|----------------------|
| Gross rea                              | lisable value of assets  | and the state        |
| sneCl                                  | fically pledged 1,20,000<br>assets 7,20,400  |                      |
|  | s assets 8,40,400  |                      |
| Gross                                  | Liabilities  | 11.1212              |
| Liabilities<br>₹<br>1,10,000<br>15,000 | Secured creditors (as per List B) to the extent to which claims are<br>estimated to be covered by assets specially pledged   |                      |
| 15,000                                 | Preferential creditors (as per List C)   | 15,000               |
| 4,00,000                               | Estimated balance of assets available for debentureholders secured by a<br>floating charge, bank overdraft secured by a second floating charge<br>and unsecured creditors<br>Debentureholders secured by a floating charge (as per List D) | 7,15,400<br>4,00,000 |
| and the                                | a traine   | 3,15,400<br>40,000   |
| 40,000                                 | Estimated surplus as regards debentureholders and bank   | 2,75,400             |
| 5,80,000                               | Unsecured creditors (as per List E)<br>Estimated unsecured balance of claims of creditors partly secured<br>on specific assets ₹ 40,000<br>Unsecured creditors ₹ 5,20,000<br>Liability on bills discounted ₹ 20,000                        | age after suit       |
| 11,45,000                              |  | 5,80,000             |
| (2013)<br>(2013)                       | Estimated deficiency as regards creditors, being the difference between gross liabilities and gross assets (₹ 11,45,000 – ₹ 8,40,400)<br>Issued and called up capital :  | 3,04,600             |
| Wangawi.                               | 6,000 10% Preference shares of ₹ 100 each fully paid up (as per List F)  | 6,00,000             |
| No. 6                                  | 40,000 Equity shares of ₹ 10 each fully paid up (as per<br>List G) ₹ 4,00,000  |                      |
| 101 -<br>600 - 1                       | Less : Irrecoverable unpaid calls ₹ 4,000  | 3,96,000             |
| angen.<br>Net solars                   | Estimated deficiency as regards members or contributories (as per List H)  | 13,00,600            |

## STATEMENT OF AFFAIRS AND DEFICIENCY ACCOUNT

**PROBLEM** 4. Shri AB Govindan is appointed liquidator of a company in voluntary liquidation on 1st July 2018, and the following balances are extracted from the books on that date :

|                                 | ₹               |                                      | え         |
|---------------------------------|-----------------|--------------------------------------|-----------|
| Capital :                       |                 | Machinery                            | 65,000    |
| 16,000 shares of ₹ 5 each       | 80,000          | Leasehold Properties                 | 40,000 le |
| Provision for Bad Debts         | 10,000          | Stock in Trade                       | 1,000     |
| Debentures                      | 50,000          | Book Debts                           | 60,000    |
| Bank Overdraft                  | 18,000          | Investments                          | 6,000     |
| Liabilities for Purchases       | 20,000          | Calls in Arrear                      | 5,000     |
|                                 | the second star | Cash in Hand                         | 1,000     |
| the needed of the terror of the | 1,78,000        | antistati sanggar anatatik mangaligi | 1,78,000  |

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Machinery is valued at ₹ 60,000 ; Leasehold Properties at ₹ 73,000 ; Investments at ₹ 4,000 ; Stock in Trade at ₹ 2,000; bad debts are ₹ 2,000 ; doubtful debts are ₹ 4,000 estimated to realise ₹ 2,000. Bank Overdraft is secured by deposit of title deeds of Leasehold Properties. Preferential creditors for tax and wages ₹ 1,000. Telephone rent owing is ₹ 80. You are required to make out (1) Statement of Affairs as regard creditors and contributories and (2) Deficiency or Surplus Account.

#### SOLUTION STATEMENT OF AFFAIRS OF as on July 1, 2018 Assets Estimated Realisable Values Assets not specifically pledged (as per List A) ₹ Cash in Hand 1,000 Trade Debtors 60 (01/10) 56,000 Call in Arrears 5,000 Investments 4,000 Stock 2,000 Machinerv 60,000 Assets not specifically pledged (as per List A) 1,28,000 Estimated Due to Deficiency Surplus Realisable Secured ranking as carried to Value Creditors unsecured last column ₹ ₹ ₹ ₹ Leasehold Properties 73,000 18,000 Estimated surplus from assets specifically pledged 55,000 Estimated total assets available for preferential creditors, debentureholders 55,000 secured by a floating charge, and unsecured creditors SUMMARY OF GROSS ASSETS 1,83,000 Gross realisable value of assets specifically pledged ₹ Other Assets 73,000 1,28,000 Gross Assets 2,01,000 Gross Liabilities (To be deducted from surplus or added to deficiency as the case may be) Liabilities Secured creditors (as per List B) to the extent to which claims are estimated to be covered by assets specifically pledged 18.000 Preferential creditors (as per List C) 1,000 Estimated balance of assets available for debentureholders secured 1,000 by a floating charge and unsecured creditors Debentureholders secured by a floating charge (as per List D) 50,000 1.82.000 Estimated surplus as regards debentureholders 50,000 1,32,000 Unsecured creditors (as per List E) ₹ Liabilities for purchases 20,080 Telephone rent outstanding 20,000 80 Estimated surplus as regards creditors being the difference between gross 20.080 89,080 assets and gross liabilities (₹ 2,01,000 – ₹ 89,080) Issued and called up equity capital (as per List G) 1,11,920

Estimated surplus as regards contributories (as per List H)

80,000

| SURPLUS | ACCOUNT | (LIST H) |
|---------|---------|----------|
|---------|---------|----------|

| SURPLUS ACC   | OUNT (LIST H)              | Č. 28.                     | in John    |
|---|----------------------------|----------------------------|------------|
| Items reducing surplus :<br>Estimated losses now written off for which provision<br>of preparing the statement :                      | has been made for th       | ne purpose<br>₹            | ₹          |
| Machinery (₹ 65,000 – ₹ 60,000)<br>Investments (₹ 6,000 – ₹ 4,000)<br>Preferential creditors for taxes and wages                      | (A taid viga an            |                            | 1 / 11955A |
| Telephone Rent Outstanding  |                            | 80                         | 8,080      |
|   | $f = e^{-1} e^{-1} e^{-1}$ | en el clásere<br>Set t     | 8,080      |
| Items contributing to surplus :<br>Leasehold Properties (₹ 73,000 – ₹ 40,000)<br>Stock (₹ 2,000 – ₹ 1,000)<br>Provision for Bad Debts | ₹ 1                        | 33,000<br>₹ 1,000<br>0,000 | ant set    |
| Less : Bad Debts<br>Doubtful Debts  | 2,000<br>2,000             | 4,000 6,000                | egé checañ |
| a provide a second s                       | nanucus sina das           | 81                         | 40,000     |
| Surplus as shown by Statement of Affairs  | Varies - Georgian<br>2     |                            | 31,920     |

**PROBLEM** 5. Following particulars were extracted from the books of X Ltd. on 1st January, 2018 on which date a winding up order was made. ₹

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| ·   | · · · · · · · · · · · · · · · · · · · |
|---|---------------------------------------|
| The second second fully paid up   | 2,00,000                              |
| 20,000 Equity Shares of ₹ 10 each fully paid up   | 2,00,000                              |
| 6% 2,000 Preference Shares of ₹ 100 each fully paid up  | 819 - A 11 -                          |
| 6% First Mortgage Debentures secured by a floating charge   | 1,00,000                              |
| upon the whole of the assets  | 30,000                                |
| Fully secured creditors   | 20,000                                |
| Partly secured creditors  | 6,000                                 |
| Partly secured creditors<br>Preferential creditors for rates and taxes  | 10,000                                |
| Bills payable   |                                       |
| Uncourad creditors  | 70,000                                |
| second the second se | 10,000                                |
| balk over ut att  | 15,000                                |
| Bills receivable  | 40,000                                |
| Bills discounted (one bill for ₹ 10,000 is likely to be bad)  |                                       |
| Book debts-good   | 10,000                                |
| doubtful (estimated to produce 50%)   | 7,000                                 |
| bad   | 6,000                                 |
| Shares in A Ltd. (estimated to produce ₹ 35,000)  | 45,000                                |
| Shares in B Ltd. (estimated to produce ₹ 10,000)  | 15,000                                |
| (given to partly secured creditors as security)   | e a Maxim T                           |
| Land and building (estimated to produce ₹ 40,000)   | 1,50,000                              |
| Stock in trade (estimated to produce ₹ 40,000)  | 50,000                                |
| Machinery and tools etc. (estimated to produce ₹ 20,000)  | 50,000                                |
| Cash in hand  | 10,000                                |
| You are required to prepare : (a) Statement of Affairs. (b) Deficiency Account                                  |                                       |
|   |                                       |

SOLUTION 5

# STATEMENT OF AFFAIRS OF X LTD. as on 1st January, 2018

|  |   | Estimated<br>Realisable<br>Values<br>₹                             |
|--|---|--|
| Cash i<br>Sundry<br>Bills R<br>Shares<br>Stock<br>Machin | Specially pledged (as per List A)<br>in hand<br>y Debtors (₹ 10,000 + 50% of ₹ 7,000)<br>eceivable<br>s in A Ltd.<br>in Trade<br>nery and Tools etc.<br>and Building  | 10,000<br>13,500<br>15,000<br>35,000<br>40,000<br>20,000<br>40,000 |
|  |   | 1,73,500   |
| Assets spe   | ecially pledged (as per List B)<br>Estimated Due to Deficiency Surplus<br>realisable secured ranking as carried to<br>Value Creditors unsecured last column<br>₹ ₹ ₹ ₹ ₹  | 100  |
| Shares in E  | ecurities (1) $30,000$ $30,000$ $ -$ B Ltd. $\frac{10,000}{40,000}$ $\frac{20,000}{50,000}$ $\frac{10,000}{10,000}$ $-$   |  |
| Summary of   | of gross assets :   |  |
| Gross reali<br>Other asse<br>Gross                       | isable value of assets specially pledged 40,00<br>ts 2,13,50<br>Liabilities   | 0  |
| <i>Liabilities</i><br>₹<br>40,000<br>6,000               | Secured creditors as per List B to the extent to which claims are<br>estimated to be covered by assets specially pledged<br>Preferential creditors as per List C  | Horos and  |
| 1,00,000   | Estimated balance of assets available for debentureholders<br>secured by a floating charge and unsecured creditors<br>Debentureholders secured by a floating charge as per List D<br>Estimated surplus as regards debentureholders<br>Unsecured creditors as per List E | 6,000<br>1,67,500<br>1,00,000<br>67,500                            |
| 1,10,000   | Unsecured Balance of Partly Secured Creditors 10,000<br>Bills Payable 10,000<br>Unsecured Creditors 10,000<br>Bank Overdraft 70,000<br>Liability on Bills Discounted 10,000   |  |
| - H. (176) A.  | 10,000  |  |
| 2,56,000   | Estimated deficiency as regards creditors (Being the difference   | 1,10,000   |
| 56050  | Issued and called-up capital :<br>6% 2,000 Preference Shares of ₹ 100, each fully   | 42,500   |
| 560°-2<br>47500<br>21550                                 | i v lo each fully paid up as per List G   | 2,00,000 2,00,000  |
| · · ·  | Estimated deficiency as regards contributories as per List H  | 4,42,500   |

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### DEFICIENCY ACCOUNT (LIST H)

|   |                      | her dans                              |
|---|----------------------|---------------------------------------|
| A. Items contributing to deficiency :                                   |                      | ₹                                     |
| Excess of capital and liabilities over assets on 1st January, 2018      | the distance paid in |                                       |
| as shown by the trial balance   | (2)                  | 0.50.000                              |
| Losses other than trading losses now written off or for which provision | (2)                  | 2,58,000                              |
| has been made in the books :  | 3                    |                                       |
| Bills discounted likely to be dishonoured                               | 10.000               | · · · · · · · · · · · · · · · · · · · |
| Sundry Debtors  | 10,000               |                                       |
| Shares in A Ltd.  | 9,500                |                                       |
| Shares in B Ltd.  | 10,000               |                                       |
|   | 5,000                |                                       |
| Land and Building   | 1,10,000             |                                       |
| Stock in Trade  | 10,000               |                                       |
| Machinery and Tools etc.  | 30,000               |                                       |
|   |                      | 1,84,500                              |
| Deficiency as shown by Statement of Affairs                             |                      |                                       |
| , a chemic, of clatement of Analis                                      |                      | 4,42,500                              |
| Working Notes :   |                      |                                       |

### Working Notes :

(1) Value of securities held by fully secured creditors is not given in the problem. Value of securities held by fully secured creditors has been assumed to be ₹ 30,000 equal to the amount of fully secured creditors.

(2) Excess of capital and liabilities over assets ₹ 2,58,000 has been ascertained by preparing Trial Balance of X Ltd. as on 1-1-2018.

| Credit Balances  | ₹   | Debit Balances  | -  |
|--|---|---|--|
| 20,000 Equity Shares of ₹ 10<br>each fully paid<br>2,000 Preference Shares of<br>₹ 100 each fully paid<br>Mortgage Debentures<br>Fully Secured Creditors<br>Partly Secured Creditors<br>Preferential Creditors<br>Bills Payable<br>Unsecured Creditors<br>Bank Overdraft | 2,00,000<br>2,00,000<br>1,00,000<br>30,000<br>20,000<br>6,000<br>10,000<br>70,000<br>10,000 | Land and Building<br>Machinery and Tools etc.<br>Shares in A Ltd.<br>Shares in B Ltd.<br>Value of Securities held<br>by Fully Secured Creditors | ₹ 1,50,000 50,000 45,000 15,000 30,000 15,000 10,000 7,000 6,000 50,000 10,000 |
| Solvers<br>An and Solvers<br>An an   | 6,46,000  | Excess of Capital and Liabilities<br>Over Assets (Bal. fig.)  | 3,88,000<br>2,58,000<br>6,46,000   |

### TRIAL BALANCE OF X LTD.

as on 1-1-2018

## LIQUIDATORS FINAL STATEMENT OF ACCOUNT

PROBLEM 6. LT Ltd. went into liquidation with the following liabilities :

Secured creditors ₹ 40,000 (securities realised ₹ 50,000) ; Preferential creditors ₹ 1,200 ; Unsecured creditors ₹ 61,000 ; Liquidation expenses ₹ 500.

The liquidator is entitled to a remuneration of 3% on the amount realised (including securities in the hands of secured creditors) and 1.5% on the amount distributed to unsecured

-70 \$ creditors. The various assets (excluding the securities in hand of the secured creditors) realised ₹ 52,000.

securitier 1 mg

Prepare Liquidator's Statement of Account showing the payment made to the unsecured creditors.

### SOLUTION

### LIQUIDATOR'S STATEMENT OF ACCOUNT

| Realisation of Securities<br>(in the hands of fully<br>secured creditors)<br>Realisation of Assets<br>To Arret realised  | ₹<br>50,000<br>52,000 |   | ₹<br>40,000<br>500 |
|--|-----------------------|---|--------------------|
| To Securities realised   | 50000                 | to Preferential Creditors 18  | 1                  |
| a<br>part of the product of the mounted of<br>the product of a line emotion of a line<br>to a<br>to a<br>t |                       | <i>i.e.</i> , 1 <sup>1</sup> / <sub>2</sub> % on ₹ 56,376<br>1.5/10175<br>Preferential Creditors<br>Unsecured Creditors<br>@ 92.42 paise in a rupee | 3,924<br>1,200     |
|  | 1,02,000              | ( <i>i.e.</i> , ₹ 56,376)   | 56,376<br>1,02,000 |

**PROBLEM** 7. Following particulars relate to a Limited Company. You are required to prepare Liquidator's Final Statement of Account allowing for his remuneration @ 2% on amount realised and 2% on the amounts distributed among the unsecured creditors other than preferential creditors. The assets realised the following sums : Buildings ₹ 20,000 ; Plant ₹ 18,650 ; Furniture ₹ 1,000. Liabilities :

Preferential Creditors ₹ 10,000 ; Unsecured Creditors ₹ 32,000 ; Debentures ₹ 10,000 ; Equity Share Capital ₹ 50,000.

Liquidation expenses amounted to ₹ 1,000. SOLUTION

#### LIQUIDATOR'S FINAL STATEMENT OF ACCOUNT ₹ Assets Realised : Liquidation Expenses 1,000 Land & Building 20,000 Liquidator's Remuneration @ 2% on Plant & Machinery 18,650 Assets Realised : **Fixtures & Fittings** ₹ 1,000 2% on ₹ 39,650 793 2% on amount paid to Creditors 350 1,143 **Preference Creditors** 10,000 Debentureholders A/c 10,000 Unsecured Creditors (54.71%) 17,507 39,650 32000 39,650

**PROBLEM 8.** Following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the Liquidator's Final Account allowing for his remuneration @ 3% on the amount realised and 2% on the amount paid to the unsecured creditors.

Share Capital issued : 1,000 preference shares of ₹ 100 each (fully paid) ; 20,000 equity shares of ₹ 10 each (fully paid) ; 4,000 equity shares of ₹ 10 each (80% paid).

Assets realised ₹ 3,08,000 excluding amount realised by sale of securities held by the secured creditors.

Secured Creditors (security realised ₹ 54,000) ₹ 46,000 ; Unsecured Creditors ₹ 2,83,698 ; Preferential Creditors ₹ 8,000 ; Debentures having a floating charge on the assets ₹ 1,00,000 ; Expenses of liquidation amounted to ₹ 3,000.

A call of  $\gtrless$  2 per share on the partly paid equity shares was duly paid except in case of one shareholder owning 400 shares.

### SOLUTION

| In the Books of a company (in Liquidation)<br>LIQUIDATOR'S FINAL ACCOUNT |          |  |                 |
|--|----------|--|-----------------|
| Accele Realized  | ₹        | Liquidation Frances  | ₹               |
| Assets Realised  | 3,08,000 |  | 3,000           |
| Calls (3,600 shares @ ₹ 2)   | 7,200    | •  |                 |
| Surplus from Securities  | 8,000    | 3% on ₹ 3,16,000 9,480   | 1 St. 10 St. 10 |
| 3024   |          | 2% on ₹ 8,000 P. C 160   |                 |
| 060.04   |          | 2% on ₹ 1,98,588 (2) 3,972   |                 |
|  | 1.00     | $2\% \text{ on } ₹ 8,000 \ p. C 160$ $2\% \text{ on } ₹ 1.98,588$ | 13,612          |
| 5 P. 2. P. 4   |          | Preferential Creditors   | 8,000           |
|  |          | Debentureholders having  |                 |
| surgery and a surgery and a surgery                                      |          | floating charge on the assets  | 1,00,000        |
|  |          | Unsecured Creditors  |                 |
| and a start of the start of the  |          | (70% of ₹ 2,83,698)  | 1,98,588        |
| saids a str  | 3,23,200 | NUMBER OF PARTICIPATION OF T   | 3,23,200        |
|  |          |  |                 |

Notes. (1) Shareholders will not get anything as the amount is not sufficient even to make the full payment of the unsecured creditors.

(2) Since the amount is not sufficient to make the full payment of the unsecured creditors, the commission payable to the liquidator is calculated as follows :

Amount available for distribution amongst unsecured creditors before the liquidator's commission on payment to unsecured creditors is ₹ 2,02,560 (*i.e.*, ₹ 3,23,200 – ₹ 3,000 – ₹ 9,480 – ₹ 160 – ₹ 8,000 – ₹ 1,00,000). Therefore, liquidator's commission on payment to the unsecured creditors is ₹ 3,972 (*i.e.*,  $\frac{2}{102} \times ₹ 2,02,560$ )

**PROBLEM** 9. From the data relating to a company (in voluntary liquidation), you are asked to prepare Liquidator's Statement of Account.

(a) Cash with liquidator (after all assets are realised and secured creditors and debentureholders are paid) is  $\gtrless 6,73,800$ .

(b) Preferential creditors to be paid ₹ 30,000.

(c) Other unsecured creditors ₹ 2,15,000.

- (d) 4,000 6% preference shares of ₹ 100 each, fully paid.
- (e) 2,000 equity shares of ₹ 100 each, ₹ 75 per share paid up.
- (f) 6,000 equity shares of ₹ 1,00 each, ₹ 60 per share paid up

(g) Liquidator's remuneration 2% on preferential and other unsecured creditors.

(h) Preference dividends were in arrears for 2 years.

| SOLUTION LIQUIDATOR'S   | S FINAL ST                          |   | -   |
|---|-------------------------------------|---|---|
| Cash in hand<br>Cash (Amount called from<br>holders of 6,000 shares @<br>₹ 6.76 per share (1) | ₹<br>6,73,800<br>40,560<br>7,14,360 | Liquidator's Remuneration<br>(2% on ₹ 2,45,000)<br>Preferential Creditors<br>Unsecured Creditors<br>Preference Shareholders : ₹<br>Capital 4,00,000<br>Dividend for 2 years @ 6% p.a. 48,000<br>Equity Shareholders :<br>Amount paid to holders of<br>2,000 equity shares @<br>₹ 8.24 per share (1) | 4,900<br>30,000<br>2,15,000<br>4,48,000<br>4,48,000<br>16,460<br>7,14,360 |

### Working Note :

(1) Calculation of Amount Returnable to Equity Shareholders or Receivable from Equity Shareholders.

| Cash in hand   |   | ₹<br>6,73,800       |
|--|---|---------------------|
| Less : Payments :  | ₹   | -11000              |
| Liquidator's Remuneration  | 4,900   | a mon eater         |
| Preferential Creditors   | 30,000  |                     |
| Unsecured Creditors  | -   |                     |
| Preference Shareholders  | 2,15,000  | 1 A 1 A 15          |
|  | 4,48,000  |                     |
| Weisser  |   | 6,97,900            |
| Amount required for Preference Shareholders  | issing leve a   | i date a            |
| Add: Amount of Equity Capital (Paid up)  | walk to be to   | 24,100              |
| 2,000 equity shares @ ₹ 75 per share   | and the second  |                     |
| 6,000 equity shares @ ₹ 60 per share   | a server and a server | ↑ 1,50,000          |
|  |   | <b>*</b> 3,60,000   |
| Total loss to be borne by equity shareholders  | and the second second second second second  | 5 24 100            |
| Number of equity shares  |   | 5,34,100            |
|  |   | 8,000               |
| Therefore loss per equity share = Total Loss   | ₹ 5,34,100 ₹ 00 70  | 1 4 5 C 1 3         |
| Value ber there NO. Of Equity Shar   |   | Sec. 1              |
| Holde  | are of 0 000 J  | ers of 6,000 shares |
|  | ₹   |                     |
| Paid up amount per share   | 75  | ₹                   |
| Less : Loss per share  | 66.76   | 60                  |
| Net amount receivable or returnable per share  |   | 66.76               |
| and the state of rotalitable per sitale  | 8.24  | 6.76                |
| DDODI EM 10 V TAL  | (Returnable)  |                     |
| <b>PROBLEM</b> 10. V. Ltd., went into voluntary larding liquidation are as follows : | iquidation on 31st March  | 1010 The details    |
| arding liquidation are as follows :  | a official official city a  | 2018. The details   |

regarding liquidation are as follows :

(a) 3,000 9% Preference Shares of ₹ 100 each fully paid up.

(b) 3,000 'A' Equity Shares of ₹ 100 each, ₹ 75 paid up. 2,400 'B' Equity Shares of ₹ 100 each, ₹ 60 paid up. 2,100 'C' Equity Shares of ₹ 100 each, ₹ 50 paid up.

V Ltd. has borrowed a loan of ₹ 75,000 from B ltd. against the mortgage of Machinery which realised ₹ 1,20,750. Books of the company show outstanding salaries of four clerks for four months @ ₹ 450 p.m. per clerk and of four workers for three months @ ₹ 225 p.m. per worker. In addition to this the company's books show the creditors worth ₹ 1,31,100. Other assets realised ₹ 4,86,750. Prepare Liquidator's Final Statement of Account.

# SOLUTION

|  | Section 1  |
|--|--|
| LIQUIDATOR'S STATEMENT OF RECEIPTS AND PAYME | and the second sec |
| STATEMENT OF RECEIPTS AND PAYME              | NTS  |

| SATOR'S STA   | FEMENT O    | F RECEIPTS A       | ND PAYMENTS               | 45 F 31        |
|---|-------------|--------------------|---------------------------|----------------|
|   | ₹           |                    | and the second            | >              |
| Assets Realised   | 4,86,750    | Payment of Secu    | ured Creditore            |                |
| Other Assets Realised   | 1,20,750    | (Loan of Patel B   |                           | 75,000         |
| Proceeds of call @ ₹ 1 per  |             | Liquidation Expe   | los.)                     |                |
| share on 2,100 shares of class C  | (3) 2,100   | Liquidation Expe   | nses                      | Nil            |
|   | .,_,        | Preferential Cred  | litors                    | (1) 9,900      |
| Terra   | Marrie 1    | Unsecured Cred     | itors                     | (2) 1,31,100   |
|   |             | Preference Shar    | eholders                  | 3,00,000       |
|   |             | Equity Sharehold   | lers : Aut haid to        |                |
|   | 100         | Heturn of ₹ 24 p   | er share holders of       | 1              |
| 324   |             | on 0,000 class A   | snares 3000 Chille        | (3) 72,000     |
| 000 633   |             | Heturn of ₹ 9 pe   | r share on 24             | 1. A.          |
|   |             | 2,400 class B sh   | ares                      | (3) 21,600     |
|   | 6,09,600    |                    |                           |                |
| - Junk  | Ve          |                    | (70.3°) c                 | 6,09,600       |
| Working Notes : 40 mer  |             | Leave L            | Carrier Contractor        |                |
| (1) Calculation of Preferential Cr  | editors     | 1019 + 1011/84     |                           | ₹              |
| Salary of 4 clerks = $4 \times 4 \times 450$<br>Workers 225 $\times 3 \times 4$   | =           |                    |                           | 7,200          |
|   |             |                    |                           | 2,700          |
| month world   |             |                    |                           | 9,900          |
| (2) Calculation of Unsecured Cre  |             | · · ·              | and biotont               |                |
| Creditors shown in the books  | ealtors     |                    |                           | ₹              |
|   | rnahla ta   |                    | and the second second     | 1,31,100       |
| (3) Calculation of Amount Retu<br>Shareholders  |             | Equity Snarenoi    | ders or Receivable        | from Equity    |
| and the second se |             |                    | 1.00                      | ₹              |
| Assets realised   |             |                    | i martine                 | 6,07,500       |
| Less : Payments :   |             |                    | ₹                         |                |
| Secured Creditors   |             |                    | 75,000                    |                |
| Preferential Creditors  |             |                    | 9,900                     |                |
| Unsecured Creditors   |             |                    | 1,31,100                  |                |
| Chiecolica Cicators   | A ST ENT    | adhti eð i i ser   | and surger of the         | 2,16,000       |
| Balance available for sharehold   | lors        |                    | THE APPENDANCE STREET     | 3,91,500       |
| Less : Capital to be returned to  |             | shareholders       |                           | 3,00,000       |
|   |             | a fair season a s  | Land a state of the state | 91,500         |
| Amount available for equity sha   |             |                    | ₹                         |                |
| Less : Equity share paid up :<br>Class A—3,000 eq   | uity shares | @₹75 =             | 2,25,000                  |                |
| Class B-2,400 eq  | uity shares | @₹60 =             | 1,44,000                  |                |
| Class C-2,100 eq  | uity shares | @₹50 =             | 1,05,000                  |                |
| Class 0-2,100 00  | any energy  |                    |                           | 4,74,000       |
| Loss to be borne by equity sha  | reholders   |                    |                           | 3,82,500       |
| Loss to be borne by equity sha  | Choldone    | Total Loss         | ₹ 3,82,500 = ₹ 5          | 1              |
| Therefore, loss per equity share  | = Total     | No. of Equity shar | es 7,500                  |                |
|   | Total       | Class A Shares     | Class B Shares            | Class C Shares |
| No  |             | ₹                  | ₹                         | ₹              |
| Did us  |             | 75                 | 60                        | 50             |
| Paid up amount per share  |             | 51                 | 51                        |                |
| Less : Loss per share   |             | 24                 | 9                         | -1             |
| Net amount receivable or returnable   | e per share |                    |                           |                |
|   |             |                    |                           |                |

**PROBLEM** 11. T Ltd. was placed in voluntary liquidation on 31st December, 2017, when its Balance Sheet was as follows :

| its Balance Sheet was as follows :   | T         |
|--|-----------|
| I. Equity and Liabilities  | ₹         |
| (1) Shareholders' Funds  | ₹         |
| (a) Share Canital ·  |           |
| 50 000 Equity Shares of ₹ 10 each 5,00,00  |           |
| Less : Calls in arrear 25,00   | 175.00    |
|  | 4,75,000  |
| 6,000 5% Cumulative Preference Shares  | 6.00.000  |
| of ₹ 100 each fully paid   | 6,00,000  |
| (b) Reserves and Surplus :   | 50.000    |
| Securities Premium Account   | 50,000    |
| (2) Non-current Liabilities  | 1 00 000  |
| 5% Debentures Account  | 1,00,000  |
| (3) Current Liabilities  | 1 15 000  |
| Creditors  | 1,15,000  |
| Bank Overdraft   | 58,000    |
| Interest on Debentures Due   | 2,500     |
| Total  | 14,00,500 |
|  | -         |
| II. Assets   |           |
| (1) Non-current Assets   | 7,94,000  |
| Freehold Factory     Dept & Machinery  | 2,89,000  |
| Plant & Machinery<br>Motor Vehicles  | 57,500    |
| The second s | 57,500    |
| (2) Current Assets<br>Stocks   | 1,86,000  |
| Debtors  | 74,000    |
| Deptors  |           |
| Total  | 14,00,500 |
|  |           |

Preference dividends are in arrears from 2014 onwards.

The Company's articles provide that on liquidation, out of the surplus assets remaining after payment of liquidation costs and outside liabilities, there shall be paid firstly all arrears of preference dividend; secondly the amount paid up on the Preference Shares together with a premium thereon of  $\gtrless$  10 per share, and thirdly any balance then remaining shall be paid to the equity shareholders.

Bank Overdraft was guaranteed by the directors who were called upon by the Bank to discharge their liability under the guarantee. The directors paid the amount to the Bank

| The liquidator rea      | alised the assets as follows : | Bar              | Kenner & 1               | ~        |
|-------------------------|--------------------------------|------------------|--------------------------|----------|
| 6. · ·                  | ₹                              |                  | 1                        |          |
| <b>Freehold Factory</b> | 7,00,000                       | Stock            | N and some i some of the | 1,50,000 |
| Plant and Machinery     | 1,40,000                       | Debtors          | )                        | 60,000   |
| Motor Vehicles          | 59,000                         | Calls in Arrears | 015                      | 25,000   |

Creditors were paid less discount of 5 per cent. The debentures and accrued interest were repaid on 31st March, 2018.

Liquidation costs were ₹ 3,820 and the liquidator's remuneration was 2 per cent on the amounts realised

Prepare Liquidator's Statement of Account.

| ₹<br>60,000<br>25,000<br>,50,000<br>,40,000<br>59,000<br>,00,000   | Liquidator's Remuneration<br>@ 2% on ₹ 12,34,000<br>Liquidation Costs<br>Debentureholders :<br>5% Debentures<br>Interest as given<br>in Balance Sheet →₹ 2,500 | ₹<br>1,00,000  | ₹<br>24,680<br>3,820  |
|--|--|--|---|
| 25,000<br>,50,000<br>,40,000<br>59,000<br>,00,000  | <ul> <li>@ 2% on ₹ 12,34,000</li> <li>Liquidation Costs</li> <li>Debentureholders :</li> <li>5% Debentures</li> <li>Interest as given</li> </ul>               | ₹<br>1,00,000  |   |
| ,50,000<br>,40,000<br>59,000<br>,00,000  | Liquidation Costs<br>Debentureholders :<br>5% Debentures<br>Interest as given  | ₹<br>1,00,000  |   |
| ,40,000<br>59,000<br>,00,000   | 5% Debentures<br>Interest as given   | ₹<br>1,00,000  | 0,020   |
| 59,000<br>,00,000  | Interest as given  | 1,00,000   |   |
| ,00,000  |  |  |   |
|  | in Balance Sheet →₹ 2 500  |  |   |
| A12  |  | 5  |   |
| 0.00 6   | Interest for 3 months  | mr)  |   |
| Mara a   | from 1-1-2018 , 3, +5 ×1   | and a  |   |
|  | to 31-3-2018   | 250  |   |
| 3  | e 070 p.a. 011   |  | 1 20  |
|  | ₹ 1,00,000 ₹ 1,250   | )  | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1   |
|  | C16  | 3,750  | A on Works  |
| 0  | Bank Overdant  | Distance of  | 1,03,750  |
| 07:8550  |  | 1 15 000   | > 58,000  |
|  |  |  |   |
| 1.2  | Less . 5% Discourit  | 5,750  | 1,09,250  |
| and the second s | Preference Shareholders  | to and the second  | 1,09,200  |
|  |  | ₹  |   |
|  |  | 6.00.000   | 141 141   |
|  |  |  | 1993 - C  |
|  |  | 1 1 1 1 1 1 1 1 1  | 1.61  |
| and the state of the second  |  |  |   |
|  | ₹ 6,00,000   | 1,20,000   |   |
|  |  |  | 7,80,000  |
|  | Equity Shareholders  |  | 1,54,500  |
| 34 000   | and the second to be strengthered  |  | 12,34,000   |
|  | 2,34,000   | Bank Overdraft<br>Creditors<br>Less : 5% Discount<br>Preference Shareholders :<br>Preference Share<br>Capital<br>Add : 10% Premium<br>Arrears of Dividend<br>- for 4 years @ 5% p.a. on<br>₹ 6,00,000<br>Equity Shareholders | Creditors       1,15,000         Less : 5% Discount       5,750         Preference Shareholders : |

**PROBLEM** 12. The Suny Valley Mining Co. Ltd. went into voluntary liquidation on 1st January, 2018. Liquidator's remuneration is 5% on assets realized and 3% on distribution among shareholders. Position as on 1st January, 2018 was as follows :

| Cash on realisati       | on of assets  |                |
|-------------------------|---|----------------|
| Liquidation expe        |   | 9,000          |
|                         |   | ,              |
| Unsecured credit        |   | ,              |
|                         | aries and wages (December 2017)                           | 6,000          |
| 5,000 6% prefere        | ence shares @ ₹ 30 each (dividend paid up to 2015)        | 1,50,000       |
|                         | res of ₹ 10 each, ₹ 9 per share called and paid up        | 90,000         |
| Under the Articles      | the preference shareholders have the right to receive 25% | of the surplus |
| remaining after repayin | ng the equity share capital.                              | MARCO JON      |
| Prepare Liquidato       | r's Final Statement of Account. Million Hestad Rucio      |                |
| SOLUTION                | The Suny Valley Mining Co. Ltd.                           |                |
| the second of the       | LIQUIDATOR'S FINAL STATEMENT ACCOUNT                      |                |
|                         | (in Liquidation)  |                |

| 1.5  | (in Eiquid                                | ationy                                      | 1 20 1 1 1         |        |
|--|---|---|--------------------|--------|
| a deux ree   | 100040                                    | 1 w   | e- n <b>₹</b> 10 - | ₹      |
| Realisation of Assets  |   | iquidator's Remuneration<br>% on ₹ 5,00,000 | 1. 199             | 25,000 |
| and the second s | 80% · · · · · · · · · · · · · · · · · · · | % on ₹ 3,86,408                             | ()                 | 11,592 |

|        |   | orgink)F.   | denote spike                                   | Liquidation Expenses                           |                      | 9,00  |
|--------|---|---|--|--|----------------------|---|
|        |   | 236.3 V   | 0 11.70  | Preferential Creditors                         |                      | 6,00  |
|        |   |   |  | Unsecured Creditors<br>Refund to Contributorie | e                    | 62,00   |
|        |   | Sec 1987  |  | Pref. Shareholders                             | 1,50,000             | 1.00  |
|        |   | 2010/01/02  |  | Add: Dividend for                              |                      |   |
|        |   |   |  | 2 years @ 6%                                   | p.a. 18,000          | the state of the  |
|        |   | 1.27  | 1.8  | Add: 1/4 of surplus                            | <i>(ii)</i> 32,102   | 1115  |
|        |   |   | 19   |  |                      | 2,00,10   |
|        |   | a   |  | Equity Shareholder                             | rs<br>90,000         | 1. 100  |
|        |   |   |  | Equity Capital<br>3/4 of Surplus               | ( <i>ii</i> ) 96,306 | 1   |
|        |   |   |  | 3/4 01 Sulpius                                 | (1) 50,000           | 1,86,30   |
|        |   |   |  |  |                      | 5,00,00   |
|        |   |   | 5,00,000                                       |  |                      | 5,00,00   |
|        |   |   |  |  |                      |   |
| Workir | na Note :   |   |  |  |                      |   |
|        | ng Note :   |   |  |  |                      | 5,00,00   |
|        | Assets realised   | aid including (   | remuneratio                                    | n on assets realised 🐊                         | Sous .               |   |
|        | Assets realised   | aid including (   | remuneratio                                    | n on assets realised a                         | Sous                 | 1,02,00   |
|        | Assets realised<br>Less : Liabilities pa  |   | (4. sec c.                                     | 9  | 3000                 | 1,02,00   |
|        | Assets realised<br>Less : Liabilities pa  |   | (4. sec c.                                     | 9  | Sous<br>sous<br>zous | 5,00,00<br>1,02,00<br>3,98,00   |
| ()     | Assets realised<br>Less : Liabilities pa<br>Commission @ 3%   | 6 :₹3,98,00   | $0 \times \frac{3}{103} =$                     | 9  | 3000                 | 1,02,00<br>3,98,00  |
| ()     | Assets realised<br>Less : Liabilities pa  | 6 : ₹ 3,98,00<br>o Shareholde                             | $0 \times \frac{3}{103} =$                     | 9  | 3000                 | 1,02,00<br>3,98,00<br>3,98,00   |
| ()     | Assets realised<br>Less : Liabilities pa<br>Commission @ 3%<br>Amount available t   | 6 : ₹ 3,98,00<br>o Shareholde                             | $0 \times \frac{3}{103} =$                     | 9  | 3000                 | 1,02,00<br>3,98,00<br>3,98,00<br>11,59                                  |
| ()     | Assets realised<br>Less : Liabilities pa<br>Commission @ 3%<br>Amount available t<br>Less: Commission<br>Less: Paid to Sha<br>Preference                      | 6 : ₹ 3,98,00<br>o Shareholde                             | $0 \times \frac{3}{103} =$                     | 9  | ₹<br>1,68,000        | 1,02,00<br>3,98,00<br>3,98,00<br>11,59                                  |
| ()     | Assets realised<br>Less : Liabilities pa<br>Commission @ 3%<br>Amount available t<br>Less: Commission<br>Less: Paid to Sha                                    | 6 : ₹ 3,98,00<br>o Shareholde                             | $0 \times \frac{3}{103} =$                     | 9  | 2000<br>2000<br>2000 | 1,02,00<br>3,98,00<br>3,98,00<br>11,59<br>3,86,40                       |
| ()     | Assets realised<br>Less : Liabilities pa<br>Commission @ 3%<br>Amount available t<br>Less: Commission<br>Less: Paid to Sha<br>Preference<br>Equity            | 6 : ₹ 3,98,00<br>o Shareholde                             | $0 \times \frac{3}{103} =$                     | 9  | ₹<br>1,68,000        | 1,02,00<br>3,98,00<br>3,98,00<br>11,59<br>3,86,40<br>2,58,00            |
| ()     | Assets realised<br>Less : Liabilities pa<br>Commission @ 3%<br>Amount available t<br>Less: Commission<br>Less: Paid to Sha<br>Preference<br>Equity<br>Surplus | 6 : ₹ 3,98,00<br>o Shareholde<br>(Shareholde<br>reholders | $0 \times \frac{3}{103} =$<br>ers<br>thatchold | 9  | ₹<br>1,68,000        | 1,02,00<br>3,98,00<br>3,98,00<br>11,59<br>3,86,40<br>2,58,00<br>1,28,40 |
| ()     | Assets realised<br>Less : Liabilities pa<br>Commission @ 3%<br>Amount available t<br>Less: Commission<br>Less: Paid to Sha<br>Preference<br>Equity            | 6 : ₹ 3,98,00<br>o Shareholde<br>(Shareholde<br>reholders | $0 \times \frac{3}{103} =$<br>ers<br>thatchold | 9  | ₹<br>1,68,000        | 1,02,00<br>3,98,00<br>3,98,00<br>11,59                                  |

### **PROBLEM** 13. The position of Valueless Ltd. on its liquidation is as under :

**Issued and Paid-up Capital :** 

3,000 11% Preference shares of ₹ 100 each fully paid. 3,000 Equity shares of ₹ 100 each, fully paid. 1,000 Equity shares of ₹ 50 each, ₹ 30 per share paid.

Calls in Arrears are ₹ 10,000 and Calls received in Advance ₹ 5,000. Preference Dividends are in arrears for one year. Amount left with the liquidator after discharging all liabilities is ₹ 4,13,000. Articles of Association of the company provide for payment of preference dividend arrears in priority to return of equity capital. You are required to prepare Liquidator's Final Statement of Account.

### SOLUTION

LIQUIDATOR'S FINAL STATEMENT OF ACCOUNT

|                                      | ₹           |                          | Ŧ                 |
|--------------------------------------|-------------|--------------------------|-------------------|
| To Cash (Left after discharging      | an the sent | By Payment of Preference | and the second of |
| all liabilities)                     | 4,13,000    | Dividend @ 11% on        | Pills and         |
| To Realisation from Calls in Arrears | 10,000      | ₹ 3,00,000 Pref. Capital | 33,000            |
| To Final Call on 1,000               | e manuter   | By Payment of Preference | 00,00             |
| Equity Shares of ₹ 50 each           | 1 Buch      | Share Capital            | 3,00,000          |
| @ ₹ 5 per share (1)                  | 5,000       | By Calls in Advance      | 5,000             |

| Equity Shares fully paid<br>@ ₹ 30 (1) per Equity Share | 90,000   |
|---|--|
| all sugar and a set                                     | 4,28,000   |
|   |  |
| Ata di 000,00.5 de di refutar.                          | ₹  |
| all liabilities   | 4,13,000   |
|   | 10,000   |
| <ul> <li>The Employed Fourth</li> </ul>                 | 4,23,000   |
|   |  |
| 3,00,000  |  |
| 5,000   |  |
| Lawy Jac  | 3,38,000   |
| ers of 1.000  | 85,000   |
| ₹ 20 per equity share                                   | 20,000   |
| itac 1.8  |  |
| G (D,C)   | 1,05,000   |
|   |  |
| 0 equity shares of ₹ 50 each                            |  |
|   |  |
| equity shares of ₹ 50 each                              |  |
| <u>₹ 1,05,000</u><br>7,000 shares = ₹ 15                |  |
| of ₹ 100 = <del>₹ 15</del><br>₹ 50 × ₹ 100 = ₹ 30       |  |
|   | all liabilities<br>$\frac{33,000}{3,00,000}$ $\frac{3,00,000}{5,000}$ ers of 1,000<br>₹ 20 per equity share<br>00 equity shares of ₹ 50 each<br>0 equity shares of ₹ 50 each<br>equity shares of ₹ 50 each<br>equity shares of ₹ 50 each<br>$\frac{₹ 1,05,000}{7,000 shares} = ₹ 15$ |

final payment. As a result, they are required to pay net  $\overline{\epsilon}$  5 (*i.e.*  $\overline{\epsilon}$  20  $-\overline{\epsilon}$  15) per share.

**PROBLEM** 14. The Breakfast Foods Ltd., went into voluntary liquidation on 31st December, 2018. The balances in its books on that date were :

| Credit Balances  | ₹                                     | Debit Balances   | ₹          |
|--|---------------------------------------|--|------------|
| Share Capital :  |                                       | Land and Buildings   | 2,50,000   |
| Authorised and Subscribed :  |                                       | Machinery and Plant  | 9,25,000   |
| 5,000 6% Cumulative  |                                       | Patents  | 1,00,000   |
| Preference Shares of   |                                       | Stock  | 1,37,500   |
| ₹ 100 each fully paid  | 5,00,000                              | the second s   | 2,75,000   |
| 2,500 Equity Shares of   | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | Cash at Bank   | 75,000     |
| ₹100 each, ₹ 75 paid   | 1,87,500                              | 1 11 Callerton Inden   |            |
| 7,500 Equity Shares of   |                                       |  |            |
| ₹ 100 each, ₹ 60 paid  | 4,50,000                              | test pure of the factor of the period  |            |
| 5% Mortgage Debentures   | 2,50,000                              | the second state of the se |            |
| Interest Outstanding   | 12,500                                | S AN AN A STATE OF AN A STATE  | a de la de |
| Creditors  | 3,62,500                              |  |            |
|  | 17,62,500                             | "With the second | 17,62,500  |
| Optimized in the second |                                       | The Botton   | 9 ( - 8) ( |

The liquidator is entitled to commission of 3% on all assets realised except cash and 2% on amounts distributed among unsecured creditors other than preferential creditors.

amounts distributed among dimensional Creditors ₹ 37,500 and a loan for ₹ 1,25,000 secured by a Creditors include Preferential Creditors ₹ 37,500 and a loan for ₹ 1,25,000 secured by a mortgage on land and buildings. The preference dividends were in arrears for two years. The assets realised as follows :

Land and Buildings ₹ 3,00,000 ; Machinery and Plant ₹ 5,00,000 ; Patents ₹ 75,000 ; Stock ₹ 1,50,000 ; Sundry Debtors ₹ 2,00,000 ; The expenses of liquidation amounted to ₹ 27,250. Prepare Liquidator's Final Statement of Account.

### SOLUTION

| The    | Breakfast | Foods Ltd | I. (In Liquidation) |  |
|--------|-----------|-----------|---------------------|--|
| LIQUID | ATOR'S FI | NAL STATE | MENT OF ACCOUNT     |  |

| Receip   | ots ₹   | ₹                          | Payments                                  | 3           |
|--|---|----------------------------|---|-------------|
| Asset Realised :   | 1 F   |                            | Secured Creditors                         | 1,25,000    |
| Cash at Bank   | 75,000  |                            | Expenses of Liquidation                   | 27,250      |
| Land and Buildings   | 3,00,000  | We's to an                 | Liquidator' Remuneration :                | F           |
| Machinery and  | onde va   | 20 100 65                  | 3% on assets realised 36,750              |             |
| Plant  | 5,00,000  | 1                          | 2% on payment made                        |             |
| Patents  | 75,000  |                            | to unsecured creditors 4,000              |             |
| Stock  | 1,50,000  |                            | North to 1 have to the most of the second | (1) 40,750  |
| Sundry Debtors   | 2,00,000  | as when t                  | Preferential Creditors                    | 37,500      |
|  |   | 13,00,000                  | 5% Mortgage Debentures 2,50,000           |             |
|  | 1083.00 - 1130  | Const Participal           | Add : Interest Outstanding 12,500         |             |
|  | ricke fan 1 ro  | marte churt                | p Głak T                                  | 2,62,500    |
|  |   | 165.04                     | Unsecured Creditors                       | 2,00,000    |
|  | C1 9 a  | amente (13)                | Preference Shareholders :                 | 82.12.11    |
|  | 3° -  |                            | Capital 5,00,000                          |             |
|  | 08 ) = 001 1 2 m  | 2 4 0 3 1 1 1              | Arrears of dividend                       | E Trees     |
| he he for an in the second   |   | ·                          | for 2 years @ 6% on ₹ 5,00,000 60,000     |             |
|  | runie nacij De Historija<br>Program (15) par s              | g of events<br>Franks sign | n burd the " almer day is the mach        | 5,60,000    |
|  |   |                            | Equity shareholders :                     | and solve a |
| rely ne outpound   | Southern Party  | Read                       | @ ₹ 15.95 on                              | 8089        |
| and a company of the second se | -   | 124 Parts                  | 2,500 shares (2) 39,875                   |             |
| 2  | Contractory of the  | h whall                    | @ 95 paise on 7,500 shares (2) 7,125      | 5           |
| non and  | 20 2 4  |                            |   | 47,000      |
| and the state of the state   | S. S. C. S. C. S. C. S. | 13,00,000                  | Re Re                                     | 13,00,000   |
| (April), 22_10   | 100119 1110   | - 3,00,000                 | : bedtesefu? beg                          | 13,00,000   |

### Working Notes :

| (1) Calculation of Liquidator's Remuneration  | <ul> <li>State of the second s<br/>second second se</li></ul> | Trafan                     |                  |  |
|---|--|----------------------------|------------------|--|
| 3% on all assets realised except cash i.e.  | 1  | 36,750                     |                  |  |
| 2% on payment made to unsecured credit  | tors other than preferen   | tial creditors             | Same -           |  |
| Total Creditors   | 1106, 145, 1   | ₹ 3,62,500                 | Well an          |  |
|   |  |                            |                  |  |
| Less : Loan secured by a mortgage on lar  | 1,25,000   | Mitt II                    |                  |  |
|   | DRUG DE L  | 2,37,500                   | tree that        |  |
| Less : Preferential Creditors   | 0223   | 37,500                     | Internation I or |  |
| Unsecured Creditors   | 1007.262   | 2,00,000                   | markast          |  |
| Remuneration @ 2% on ₹ 2,00,000   | The serve and  |                            | 4,000            |  |
| Total Remuneration  |  | ¥                          | 40,750           |  |
| the second se | and all in the second of   | Name and the second second |                  |  |

Saturdaya'a An

(2) Amount available for distribution amongst equity shareholders is ₹ 47,000. In the problem, there are two classes of equity shareholders, namely 2,500 equity shares of ₹ 100 each, ₹ 75 paid up and 7,500 equity shares of ₹ 100 each, ₹ 60 paid up. First of all the difference of ₹ 15 per share is paid to the holders of the first class of 2,500 shares to bring their capital contribution equal to the capital contribution of ₹ 60 per share of the second class of shareholders. After the distribution of ₹ 15 per share on 2,500 shares, the holders of all 10,000 shares (both classes of equity shares) have got an amount of ₹ 9,500 (₹ 47,000 - ₹ 2,500 × 15) to be distributed among themselves. Therefore, the holder of each equity share gets 95 paise (i.e. ₹ 9,500/10,000).

### PROBLEM 15.

|    | BALA                    | NCE SHEET OF SONA LIMITED<br>as on 31st December, 2017   |
|----|-------------------------|--|
| I. | Equity and Liabilities  |  |
|    | (1) Shareholders' Funda | a postar con a contra de la contra |

20101011

| (1)   | Shareholders' Funds  | APP DESCRIPTION OF A                         |   | ````                                       |
|---|--|--|---|--|
|   |  | 20 (manels -                                 | 1   |  |
|   |  | Shores of 7 100                              |   | _  |
| 000.000   | (iii) 5,000 Equily Shares of 7 100 and 3 mg                      |  |   |  |
| 0.00011   |  |  |   |  |
|   | Small C Dalu   |  |   | 1,50,000                                   |
| <ul> <li>(iii) 1,000 6% Preference Shares of ₹ 100 each</li> <li>(2) Non-current Lightlities</li> </ul> |  |  |   | 1,00,000                                   |
|   | (2) Non-current Liablines  |  |   |  |
|   | (i) 6% Debentur  | res (Floating charge o                       | n all assets)   | 1 00 000                                   |
| 000.81  | (ii) Loan on Mor   | tgage of Land & Buil                         | ding  | 1,00,000                                   |
| (3)   | Current Liabilities  |  | ung   | 1,00,000                                   |
| ( - 2,500   | (i) Sundry Cred  | itors  | 1   |  |
| 000,6   | (ii) Income Tax  |  |   | 90,000                                     |
| 000 86.7  | (iii) medine rax   | ayable                                       |   | 10,000                                     |
| and the second  |  |  | Total   | 7,50,000                                   |
| II. As  | sets   | 1840 00.2                                    |   |  |
|   | Non-current Assets   |  |   | 1  |
|   |  |  |   |  |
| 100 1112 C 1  | (a) Land & Building  | grand in the second states of the            | The second |  |
|   |  |  | and the second space of a second space  | 2,00,000                                   |
|   | (b) Plant & Machin   |  | as follows :  | 2,00,000 3,20,000                          |
|   | (b) Plant & Machin   | ery  | 1 Sadapage 1  | 3,20,000                                   |
| (2)   | (b) Plant & Machin<br>Current Assets                             | ery  | as follows :<br>2013  | 3,20,000                                   |
| (2)   | (b) Plant & Machin<br>Current Assets<br>(a) Stock                | ery  | ens forferens :<br>Toos   | 3,20,000                                   |
| • (2)<br>(00.51<br>(00.51   | (b) Plant & Machin<br>Current Assets<br>(a) Stock<br>(b) Debtors | ery<br>A AA AAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA | es follows :<br>err<br>i<br>uce Staturs of ? (0 each  | 3,20,000<br>1,00,000<br>1,00,000<br>20,000 |
| (2)   | (b) Plant & Machin<br>Current Assets<br>(a) Stock                | ery<br>A AA AAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA | ens forferens :<br>Toos   | 3,20,000<br>1,00,000<br>1,00,000<br>20,000 |
| (2)<br>(10.21<br>(20.21)  | (b) Plant & Machin<br>Current Assets<br>(a) Stock<br>(b) Debtors | ery<br>A AA AAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA | es follows :<br>err<br>i<br>uce Staturs of ? (0 each  | 3,20,000<br>1,00,000<br>1,00,000<br>20,000 |

The company went into liquidation on 1st January, 2018.

The preference dividends were in arrear for three years. The arrears are payable on liquidation.

The assets were realised as follows :

Land and Building ₹ 2,40,000 ; Plant and Machinery ₹ 1,80,000 ; Stock ₹ 70,000 ; Debtors attentiation one account in tolleaving ₹ 60,000.

The expenses of liquidation amounted to ₹ 8,000.

The liquidator is entitled to a commission at 2% on all assets realised except cash at bank and 3% on amounts distributed to unsecured creditors. in the parameter second second

The second base of a state of the second of

All payments were made on 30th June, 2018.

Prepare Liquidator's Statement of Account.



### In the Books of Sona Limited (In Liquidation) LIQUIDATOR'S STATEMENT OF ACCOUNT

| ₹<br>1,00,000<br>8,000 |
|------------------------|
|                        |
| 0,000                  |
| 294                    |
|                        |
|                        |
|                        |
| 1                      |
| 14,000                 |
| 14,000                 |
|                        |
|                        |
| 1,03,000               |
| 1,00,000               |
| 1,00,000               |
|                        |
| 1 1 1                  |
|                        |
| 1,18,000               |
| 1.1.6                  |
|                        |
|                        |
| 1,37,000               |
| 5,80,000               |
|                        |

**PROBLEM** 16. Credit and debit balances taken from the books of Bubble Ltd. as on 31-12-2018 were as follows :

| Cr. Balances                              | ₹        | Dr. Balances                        | ₹        |
|---|----------|-------------------------------------|----------|
| Share Capital :                           |          | Land and Building                   | 25,000   |
| 8,000 Preference Shares of ₹ 10 each      | 80,000   | Other Fixed Assets                  | 2,00,000 |
| 12,000 Equity Shares of ₹ 10 each         | 1,20,000 | Stock Brach to deal (a)             | 5,25,000 |
| Bank Loan                                 | 4,00,000 | Debtors                             | 1,00,000 |
| 8% Debentures                             | 1,00,000 | Surplus A/c (Negative Balance)      | 58,000   |
| <b>Interest Outstanding on Debentures</b> | 8,000    | a manager i and man propan          | 3. 18 1  |
| Creditors                                 | 2,00,000 | e is no activitie della consumption | 100      |
|   | 9,08,000 | sould reliader star to              | 9,08,000 |
| arenteline ? . lettle                     |          |                                     |          |

The company went into liquidation on that date. Prepare Liquidator's Statement of Account after taking into account the following :

(1) Liquidation expenses and liquidator's remuneration amounted to ₹ 3,000 and ₹ 10,000 respectively.

(2) Bank loan was secured by pledge of stock.

(3) Debentures & interest thereon are secured by a floating charge on all assets.

(4) Fixed assets were realised at book values and current assets at 80% of book values.

## SOLUTION

### In the Books of Bubble Ltd. (In Liquidation) LIQUIDATOR'S STATEMENT OF ACCOUNT

| Assets Realised :<br>Land & Building<br>Other Fixed Assets<br>Stock (80% of ₹ 5,25,000)<br>Debtors (80% of ₹1,00,000) | ₹<br>25,000<br>2,00,000<br>4,20,000<br>80,000 | Liquidator's Remuneration<br>Debentureholders : ₹<br>8% Debentures 1,00,000<br>Interest Outstanding 8,000<br>Creditors<br>Preference Shareholders : | ₹<br>4,00,000<br>3,000<br>10,000<br>1,08,000<br>2,00,000   |
|---|---|---|--|
| 21061-  | firma, into yo                                | On 8,000 shares @ 50 paise per share  | 4,000  |
| 002.06 89-25-51   | 7,25,000                                      | ling er   | 7,25,000   |
|   |   |   | and the second sec |

| I. Equity and Liabilities                                    | 2.1 (1.1 (1.1 (1.1 (1.1 (1.1 (1.1 (1.1 ( |
|--|--|
| (1) Shareholders' Funds                                      |  |
| (a) Share Capital :  | 2 00 000                                 |
| ( <i>i</i> ) 10,000 'A' Equity Shares of ₹ 20 each           | 2,00,000                                 |
| ( <i>ii</i> ) 5,000 'B' Equity Shares of $\gtrless$ 20 each, | 95,000                                   |
| ₹ 19 per share called up and paid up                         | 95,000                                   |
| (iii) 500 5% Cumulative Preference Shares                    | 1,00,00                                  |
| of ₹ 200 each  | (-) 1,95,00                              |
| (b) Surplus Account  | (-) 1,55,00                              |
| (2) Non-current Liabilities                                  | 80,000                                   |
| 5% Debentures (Secured on Freehold Property)                 | 00,000                                   |
| (3) Current Liabilities                                      | 1,78,00                                  |
| Creditors  | Total 4,58,000                           |
| 5 5 CO 00 2  | 10tal 4,58,000                           |
| II. Assets   |  |
| (1) Non-current Assets                                       |  |
| Freehold Property  | 80,000                                   |
| Plant & Machinery  | 1,20,000                                 |
| Furniture & Equipment  | 20,000                                   |
| (2) Current Assets   |  |
| Stock  | 1,60,000                                 |
| Debtors  | 60,000                                   |
| Bank   | 18,000                                   |

The company passed a resolution to wind up voluntarily and you are appointed as a liquidator. The preference shareholders have not received dividend for the past two years. The articles of the company include the following clauses : (a) The preference shares will rank both as regards dividend whether declared on not and capital in priority to all other shares both present and future. (b) That all equity shares will be treated alike.

The debenture interest is payable on 31st March and on 30th September every year and the interest due on 30th September, 2018 was paid. Creditors include ₹ 5,000 on account of Incometax due.

The liquidator sold the Plant and Furniture for ₹ 95,000, stock realised ₹ 1,22,000 and debtors realised ₹ 50,000. The debentureholders requested the liquidator to sell also the Freehold Property and the property was sold for ₹ 1,20,000. Liquidation expenses amounted to ₹ 12,000.

Liquidator's remuneration was fixed at  $2\frac{1}{2}\%$  on all the amount realised except Bank plus a fixed

bonus of ₹ 4,325. The debenturcholders and others were paid off on 31st December, 2018. Draw up Liquidator's Final Statement of Account.

LIQUIDATOR'S EINAL STATEMENT OF AC

SOLUTION

| SOLUTION L              | GOIDATOR       | SFINAL SI                             | ATEMENT OF ACCOUNT  |                  |
|-------------------------|----------------|---------------------------------------|---|------------------|
| Realisation of Assets : |                | n₹                                    | Tebentureholders (secured) :  | ₹                |
| Bank                    | 18,000         |                                       | Value of Debentures 80,000  |                  |
| Plant & Furniture       | 95,000         |                                       | Add : Interest @ 5% p.a.  |                  |
| Stock                   | 1,22,000       | 1. T                                  | for 3 months from   |                  |
| Debtors                 | 50,000         | 2125, 1112, 532                       | 1-10-2018 to 31-12-2018 1,000   | 0.4.4            |
| Freehold Property       | 1,20,000       |                                       | 1,000   | 01 000           |
|                         |                | 4,05,000                              | Liquidation Expenses<br>Liquidator's Remuneration :   | 81,000<br>12,000 |
| and free States         | 1              | $r \geq (2 \frac{\epsilon}{2m} + 1)r$ | 2 <sup>1</sup> / <sub>2</sub> % on ₹ 3,87,000   |                  |
|                         |                | IDER INSTA                            | The second se |                  |
| 1264 ( 1977) ( 1977)    |                | to they be                            | (value of assets  |                  |
|                         | 231            | State and the second                  | realised except bank) 9,675   |                  |
| 00,001                  |                |                                       | Fixed Bonus 4,325   |                  |
| (leg, etc.)             |                |                                       |   | 14,000           |
|                         |                |                                       | Income Tax (Preferential  |                  |
| 00.02                   | Distant States |                                       | creditors)  | 5,000            |
|                         | (247)          | auff glosi-                           | Unsecured creditors   | 10 GH 734        |
| Kur tariha di           |                |                                       | (other than income tax)   | 1,73,000         |
|                         |                |                                       | Preference Shareholders :   | 1                |
| M. Brat Law?            |                |                                       | Value of Preference   | 10. Jak          |
|                         |                |                                       | Shares 1,00,000   | and all the      |
|                         |                |                                       | Add : Preference  | A AL             |
|                         |                |                                       | Share Dividend  | X 12 13 188      |
|                         |                |                                       | @ 5% p.a. for 2 years 10,000  | 1:00,000         |
|                         |                |                                       | 'A' Equity Shareholders   | 1,10,000         |
| 10.60                   |                | 1.                                    | 'A' Equity Shareholders   | 11 11            |
|                         |                |                                       | — Return @ ₹ 1 on   | 10               |
| Screet 1                |                |                                       | 10,000 shares (excess paid by them)   | -                |
|                         |                | 1.05.000                              | over 'B' Equity Shareholders  | 10,000           |
|                         |                | 4,05,000                              | 2011年秋季   | 4,05,000         |