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**Subject-Specialised Accounting**  
**Topic:-Liquidation**



### Problem 12

Simmi Company Ltd. went into voluntary liquidation and particulars of assets and liabilities were as under :

	₹
Preferential Creditors	10,000
Unsecured Creditors	1,00,000
5% Debenture (having floating charge)	75,000
Secured Creditors (Securities themselves realised ₹ 60,000)	50,000
Cash at Bank	20,000
Stock (realised ₹ 70,000)	75,000
Furniture (realised ₹ 40,000)	45,000
Machine (realised ₹ 25,000)	30,000
Building Pledged to Secured Creditors	75,000

The liquidator's remuneration was fixed at 2% on the amount realised by him including surplus from securities (held by secured creditors) and 2% on the amount paid to unsecured creditors. The liquidation expenses amounted to ₹ 3,200 including ₹ 700 for legal charges. The interest on debentures was due for 6 months to the date of winding-up.

Prepare the Liquidator's Final Statement of Account showing the rate and amount distributed as final dividend to unsecured creditors.

#### Solution      Liquidator's Final Statement of Account

Receipts		₹	Payments		₹
<i>Assets Realised :</i>	₹		Legal Expenses		700
Cash at Bank	20,000		Liquidator's Remuneration :		
Stock	70,000		2% on amount realised (1)		3,300
Furniture	40,000		2% on ₹ 10,000 (Pref. Cred.) (2)		200
Machine	<u>25,000</u>	1,55,000	Paid to Unsecured Creditors (3)		1,400
<i>Surplus from Securities :</i>			Liquidation Expenses		
Building Realised	60,000		(3,200 - 700)		2,500
Less : Payment to secured Creditors	<u>50,000</u>	10,000	Debentureholders including interest (75,000 + 1,875)		76,875
			Preferential Creditors		10,000
			Unsecured Creditors @ 70 paise in a rupee		70,025
		<u>1,65,000</u>			<u>1,65,000</u>

Thus, unsecured creditors were paid ₹ 70,025. Final rate of dividend being 70 paise in a rupee.  $(70,025 \div 1,00,000 = 0.70 \text{ (Approx)})$

*Working Note:*

*Liquidator's Remuneration:*

$$1. (1,55,000 + 10,000) \times 2/100 = ₹ 3,300$$

$$2. ₹ 10,000 \times 2/100 = ₹ 200$$

$$3. ₹ 1,65,000 - (700 + 3,300 + 200 + 2,500 + 76,875 + 10,000) = ₹ 1,65,000 - 93,575 \\ = ₹ 71,425$$

Therefore, 2% of ₹ 71,425 =  $71,425 \times 2/100 = ₹ 1,400 \text{ (App.)}$

**Commission on Amount distributed to Shareholders**

**Problem 13**