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Subject-Specialised Accounting
Topic:-Liquidation



Problem 15

X Ltd. went into voluntary liquidation on 1st September, 2017. From the following information, prepare liquidator's Final Statement of Account :

Liquidation Estate :

Building ₹ 1,50,000; Machinery ₹ 1,65,000; Goodwill ₹ 14,000, Inventories ₹ 1,00,000; Trade Receivables ₹ 1,80,000; Cash and Cash Equivalents ₹ 14,500.

Equity and Liabilities :

Share Capital : 29,500 Equity Shares of ₹ 10 each 2,95,000

Secured Creditor on Building ₹ 1,30,000.

Workmen's dues for 16 months ₹ 80,000

Employee's dues for 8 months ₹ 1,00,000

Unsecured creditors (including financial debts ₹ 55,000 owed to unsecured creditors) ₹ 1,35,000)

Amount due to Central Government 10,000

The liquidator realised ₹ 5,60,000 from liquidation estate (excluding ₹ 1,35,000 from building). The expenses of insolvency amounted to ₹ 10,50,000 and the liquidator's remuneration amounted to ₹ 50,000.

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

<i>Receipts</i>	₹	<i>Payments</i>
Cash	14,500	<i>Liquidation Cost :</i>
<i>Assets Realised :</i>		Expenses of
Sundry Assets	5,60,000	Insolvency
		₹ 10,50,000

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	Liquidator's Remuneration	<u>50,000</u>	60,500
	Workmen's Dues		80,000
	Secured Creditors		1,30,000
	Employee's Dues		1,00,000
	Financial Debts Owed to Unsecured Creditors		55,000
	Amount due to Central Government		10,000
	Unsecured Creditors (1,35,000 – 55,000)		80,000
	<i>Refund of Capital :</i>		
	29,500 Equity Shares @ ₹ 2 per Share		59,000
	<u>5,74,500</u>		<u>5,74,500</u>

Note : Liquidator's Remuneration shall be deducted proportionately from the proceeds payable to each class of recipients and net of deduction shall be paid to them.

Calls on Equity Shareholders and Refund of Preference Share Capital