

Insolvency and Bankruptcy Board of India

Subject: Status Note on Voluntary Liquidation Process

As on 31st May 2024, 1925 corporate persons have filed for voluntary liquidation. The year-wise commencement of the liquidation proceedings till 31st May 2024 is presented in Table-1.

Table 1: Commencement of Voluntary Liquidations till 31st May 2024

Period	Liquidations at the beginning	Liquidations Commenced	Liquidation closed by		Liquidations at the end
			Withdrawal	Final Reports Submitted	
2017 – 18	NA	184	0	11	173
2018 – 19	173	232	7	108	290
2019 – 20	290	273	1	169	393
2020 – 21	393	251	2	186	456
2021 – 22	456	302	3	261	494
2022 – 23	494	319	9	334	470
2023 – 24	470	335	12	325	468
Up to May-24	468	29	1	55	441
Total	NA	1925	35	1449	441

2. Till 31st May 2024, out of 1925 voluntary liquidation initiated, final reports have been submitted in 1449 cases. Of these 1449 cases, the Adjudicating Authority has passed orders for dissolution of 902 corporate persons. The status of 1925 voluntary liquidations (including ageing of ongoing cases) as on 31st May 2024 is presented in Table-2.

Table 2: Status of Voluntary Liquidations as on 31st May 2024

Status of Liquidation	Number of Liquidations
Initiated	1925
Closed by Withdrawal	35
Final Report Submitted	1449
<i>Closed by Dissolution</i>	902
<i>Cases pending for Dissolution</i>	547
Ongoing	441
> Two Years	151
> One year ≤ Two years	60
> 270 days ≤ 1 year	19
> 180 days ≤ 270 days	45
> 90 days ≤ 180 days	71
≤ 90 days	95

3. Further details about 1854 voluntary liquidations are available. The reasons for initiating voluntary liquidation of 1854 corporate persons are presented in Table-3.

Table 3: Reasons for Voluntary Liquidations

Sl. No.	Reason for Voluntary Liquidation	No. of Corporate Persons
1	Not carrying business operations	1269
2	Commercially unviable	313
3	Promoters unable to manage affairs	46
4	Purpose for which company was formed accomplished / Contract Termination	57
5	Miscellaneous	169
Total		1854

4. The average time taken for submission of final report in 1449 voluntary liquidation cases is 406 days.

5. Most of these corporate persons are small entities. 1200 of them have paid up equity capital of less than or equal to Rs.1 crore. Only 269 of them have paid-up capital exceeding Rs.5 crore. The corporate persons, for which details are available, have an aggregate paid up capital of Rs. 13,941crore. The details are presented in Table-4.

Table 4. Details of 1890 Voluntary Liquidations (excluding 35 withdrawals)

Details		Number of Corporate Persons	(Amount in Rs. crore)						
			Paid up Capital **	Assets (Book Value)	Realisation of Assets	Due to Creditors	Paid to Creditors	Liquidation Expenses \$	Surpluses
Final Report Submitted	Dissolved (A)	1*	166	2436	2436	5	5	1	2430
		901	3726	3490	5612	82	82	167	5363
	Yet to be Dissolved (B)	547	4585	2630	2642	128	128	115	2400
	Total (A+B)	1449	8477	8556*	10690	215	215	283	10193
Ongoing Liquidations (C)		441	5464	3522#	NA				

* Outlier case (Star Health Investments Private Limited).

** Paid up capital is not available in case of nine companies as they are limited by guarantee companies where there exist no shareholders and paid-up capital.

\$ Liquidation expenses majorly consists of statutory dues such as Dividend Distribution and taxes paid to various authorities.

*** Assets of 17 cases are not available.

Assets of 400 cases are available.

NA - Not Available.

6. It is submitted for information of the Governing Board.