

Insolvency and Bankruptcy Board of India

Subject: Status Note on Voluntary Liquidation Process

As on 28th February, 2023, 1499 corporate persons have filed for voluntary liquidation. The year-wise commencement of the liquidation proceedings till 28th February, 2023 is presented in Table 1.

Table 1: Commencement of Voluntary Liquidations till 28th February, 2023

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	6	98	301
2019 - 20	301	273	1	136	437
2020 - 21	437	251	2	181	505
2021 - 22	505	302	3	248	556
Up to February, 23	556	257	2	267	544
Total	NA	1499	14	941	544

2. Till 28th February, 2023, out of 1499 voluntary liquidation initiated, final reports have been submitted in 941 cases. Of these 941 cases, the Adjudicating Authority has passed orders for dissolution of 479 corporate persons. The status of 1499 voluntary liquidations (including ageing of ongoing cases) as on 28th February, 2023 is presented in Table 2.

Table 2: Status of Voluntary Liquidations as on 28th February, 2023

Status of Liquidation	Number of Liquidations
Initiated	1499
Closed by Withdrawal	14
Final Report Submitted	941
<i>Closed by Dissolution</i>	479
<i>Cases pending for Dissolution</i>	462
Ongoing	544
> Two Years	206
> One year ≤ Two years	105
> 270 days ≤ 1 year	56
> 180 days ≤ 270 days	34
> 90 days ≤ 180 days	40
≤ 90 days	103

3. Further details about 1318 voluntary liquidations are available. The reasons for initiating voluntary liquidation of 1318 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	925
2	Commercially unviable	198
3	Promoters unable to manage affairs	33
4	Purpose for which company was formed accomplished / Contract Termination	41
5	Miscellaneous	121
Total		1318

Data are available for only 1318 cases.

4. The average time taken for submission of final report in 941 voluntary liquidation cases is 412 days.

5. Most of these corporate persons are small entities. 876 of them have paid up equity capital of less than Rs.1 crore. Only 199 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.10,487 crore. The details are presented in Table 4.

Table 4. Details of 1485 Voluntary Liquidations (excluding 14 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	Surplus
Final Report Submitted ^{##}	Dissolved (A)	1*	166	2436	2436	5	5	1	2430
		478	2207	1664	1466	29	29	116	1320
	Yet to be Dissolved (B)	462	2930	1609	1353	29	29	73	1251
	Total (A+B)	941	5303	5709***	5255	63	63	190	5001
Ongoing Liquidations (C)		544	5184 [#]	2955 [#]	NA				

* Outlier case (Star Health Investments Private Limited).

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

*** Assets of 21 cases are not available.

[#] Paid up capital and assets of 475 and 378 cases, respectively, are available.

^{##} Data for 29 Final Report cases are awaited.

NA - Not Available.

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