

Vth unit

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Q) explain the consequences of winding up by the tribunal ?

Ans:

- 1) appointment of company liquidators : s. 359. The liquidator appointed Shall be whole time officer of Central Government. The salary and other allowances shall be paid by central government. The official liquidator exercise powers and duties as per Central Government orders- if necessary he will conduct enquiries or investigation as per Central Government or tribunal orders.
- 2) Settlement of list of contributories: s.2 (26) contributory means a person liable to contribute towards the assets of the company in the event of it being wound up -shareholders who have fully paid up - shares need not pay any amount.
- 3) Appointment of advisory committee: s.287 the tribunal while passing winding up order of company, direct that their shall be and advisory committee to advise to company liquidator\_ with members from creditors and contributories.
- 4) Liquidator report: s.288-the liquidator has to file reports periodically about the progress of winding up to the tribunal.
- 5) Books of accounts by liquidator and audit: s.293/s.294 liquidator has to maintain proper books of a/c s also of minutes of meetings conducted by him -accounts to be audited by qualified auditors- informations to tribunal and ROC shall be given .
- 6) Making call on contributories :s. 295/s. 296/297 he will issue order on contributories in the list to pay unpaid calls- adjustments can also be made if any amounts payable from company to them.
- 7) Dissolution of company by tribunal: s. 302 when the process is over the liquidator of company should make an application to tribunal per dissolution of company (removing the name of company by ROC from the register of companies.)
- 8) Other consequences :under section 299 the tribunal can summon suspected persons who are having company property /under section 300 examining the promoters to find out frauds /under section 301ifit suspects any person leaving India involved in fraud it gives arrest warrant also.

If the tribunal feels it is just and equitable- it will issue dissolution order -within 30 days of the order liquidator has to forward dissolution order to ROC -who will strike the name of the company from the register of companies -if default is made rupees 5000 fine per day will be imposed.

Note,Students are advised to go through textbook to have detailed understanding.

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