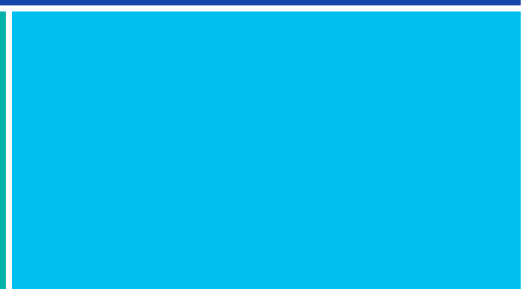
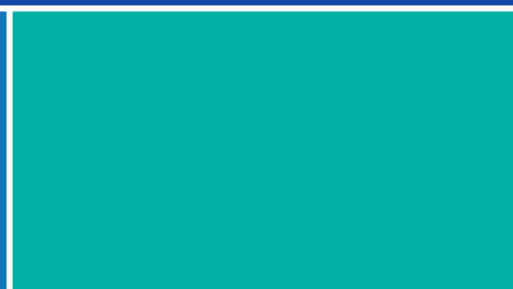
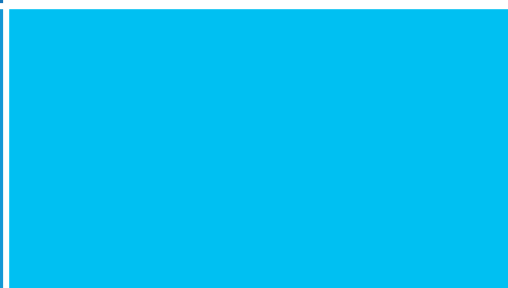


VOLUNTARY WINDING UP

12 DECEMBER 2017



CONTENTS

- Background - Closure of Company in India
- Voluntary Winding Up
- Fast Track Exit – Quick Overview
- Questions
- Our Story



CLOSURE OF COMPANY IN INDIA - BACKGROUND

REASONS FOR CLOSURE OF COMPANY

Possible reasons for closure of Company



Non
Operational

Funds stuck in non
operational company

Completion of Project/object for
which the Company was formed

Non Commencement of Business/No intent to
start the business again

Want to close down to avoid liabilities on directors,
compliances and reputational risk

Two Options for closure of Solvent Companies India



Voluntary Winding Up



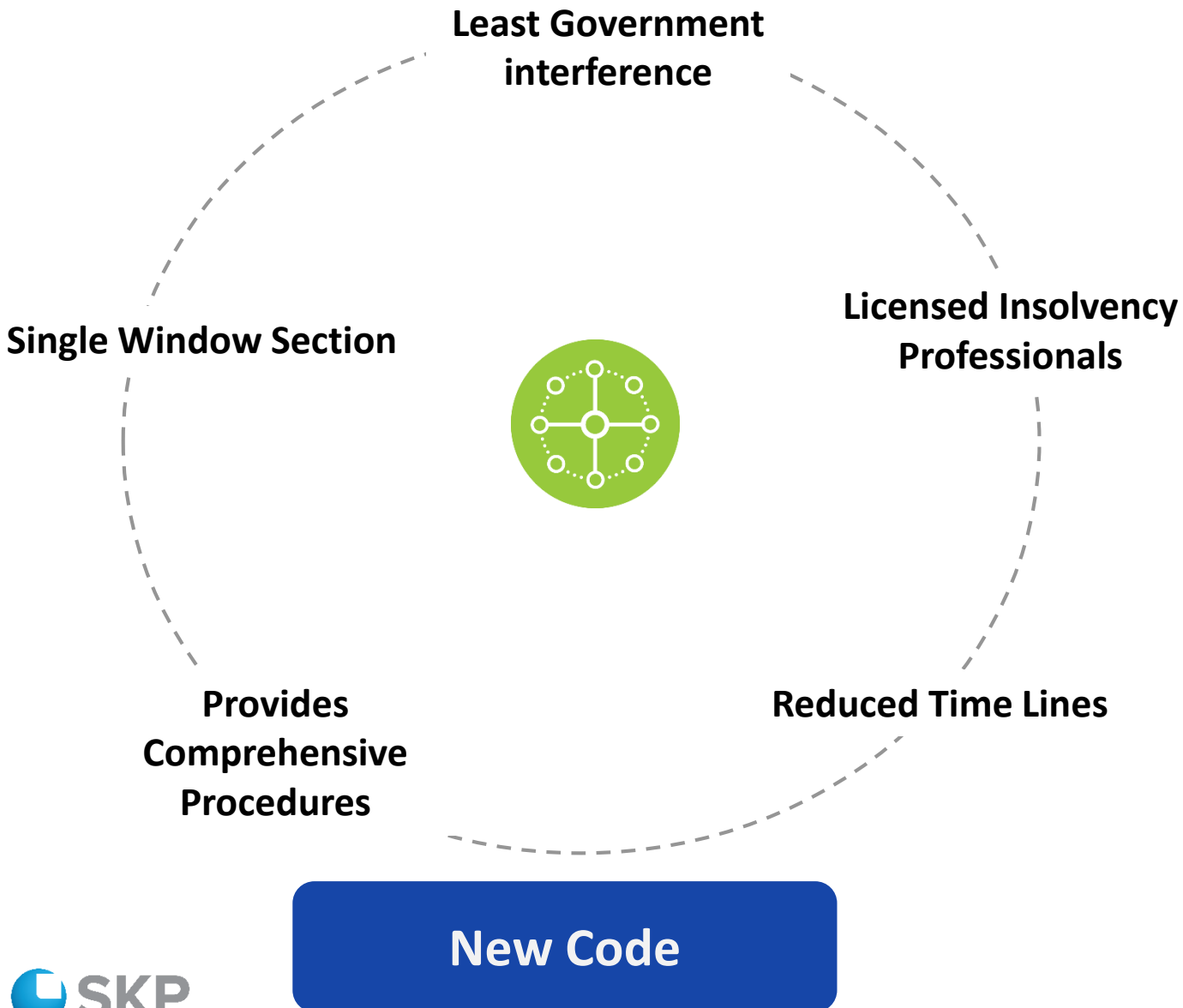
Fast Track Exit

India has introduced - The Insolvency and Bankruptcy Code, 2013 (“**Code**”) during the year 2016



VOLUNTARY WINDING UP [VWU]

NEW FRAMEWORK – VOLUNTARY WINDING UP



Advantages

- **Prescribed timelines** to speed up the process
- Only eligible **licensed Insolvency professionals** can act as a 'liquidator'
- **Private driven process**
- Elaborative **disclosures and transparency** in the liquidation process
- Well defined power, duties and responsibilities of the liquidator
- **Board to co-exist**

NEW VWU V/S FTE PROVISIONS OR OLD REGIME

- Limitation on directors liability
- VWU can be commenced instantly
- Licensed Insolvency Professional to run the process
- Board of Directors continue to exist
- Substantially private process
- Single window for entire process
- Very less intervention from the government
- Difference in process - Dedicated Tribunal as an Adjudicating Authority
- Guidance on timelines

INITIATION OF VWU

- Company has not committed any default (non payment of debt which is due and payable)
- Declaration of solvency from majority of the directors, verified by an affidavit
 - Company will be able to pay its debt in full from the assets of the company
 - Company is not being liquidated to defraud any person
- Special resolution by the members of the Company
- Approval from the creditors (if any) representing two third in value of debt of Company

BROAD PROCESS - VOLUNTARY WINDING UP

Declaration of solvency by directors

Special resolution by member, appointment of the Liquidator, creditors approval

Notification to the RoC and IBBI on commencement of winding up

Opening of Voluntary Liquidation Account

The Liquidator to wind up affairs of the company

The Company will be dissolved from date of order passed by the NCLT

VOLUNTARY WINDING UP – IMPORTANT ASPECTS



Declaration of Solvency by the Directors



Repatriation/infusion of surplus/shortfall in funds



Clean-up of the Balance Sheet



Clearance from Income Tax authorities



Disposal of Assets



Failure to discharge all the liabilities

ROLE OF A LIQUIDATOR

- Preparation of **various reports, registers and books of accounts**
- Inviting, collation and verification of **claims** from stakeholders
- Formation of the **liquidation estate**
- **Intimation** to different statutory authorities – RoC, IBBI, Income tax etc.
- Issuing **public announcement**
- **Engage professionals** to assist the liquidator in discharge of his duties
- **Carry on the business** of the Company (if necessary) for beneficial liquidation
- **Realisation, sale and distribution** of the assets
- To get the **liquidation accounts audited**
- **Apply to NCLT** for order of dissolution

PROFESSIONALS/STATUTORY AUTHORITY IN VOLUNTARY WINDING UP

NCLT

- NCLT is the adjudicating authority in the winding up process
- NCLT passes the winding up order and the order of dissolution

LIQUIDATOR

- An Insolvency Professional needs to be appointed as a “Liquidator” of the Company
- Liquidator runs the Voluntary winding up process until the final order of dissolution

PROFESSIONAL

- Liquidator can appoint professionals to assist him in the discharge of his duties and obligations

VALUER

- Liquidator to appoint at least two registered valuers to value the assets of the Company

STATUTORY AUTHORITIES

- RoC, IBBI, Income Tax, RBI (if foreign investments) etc.



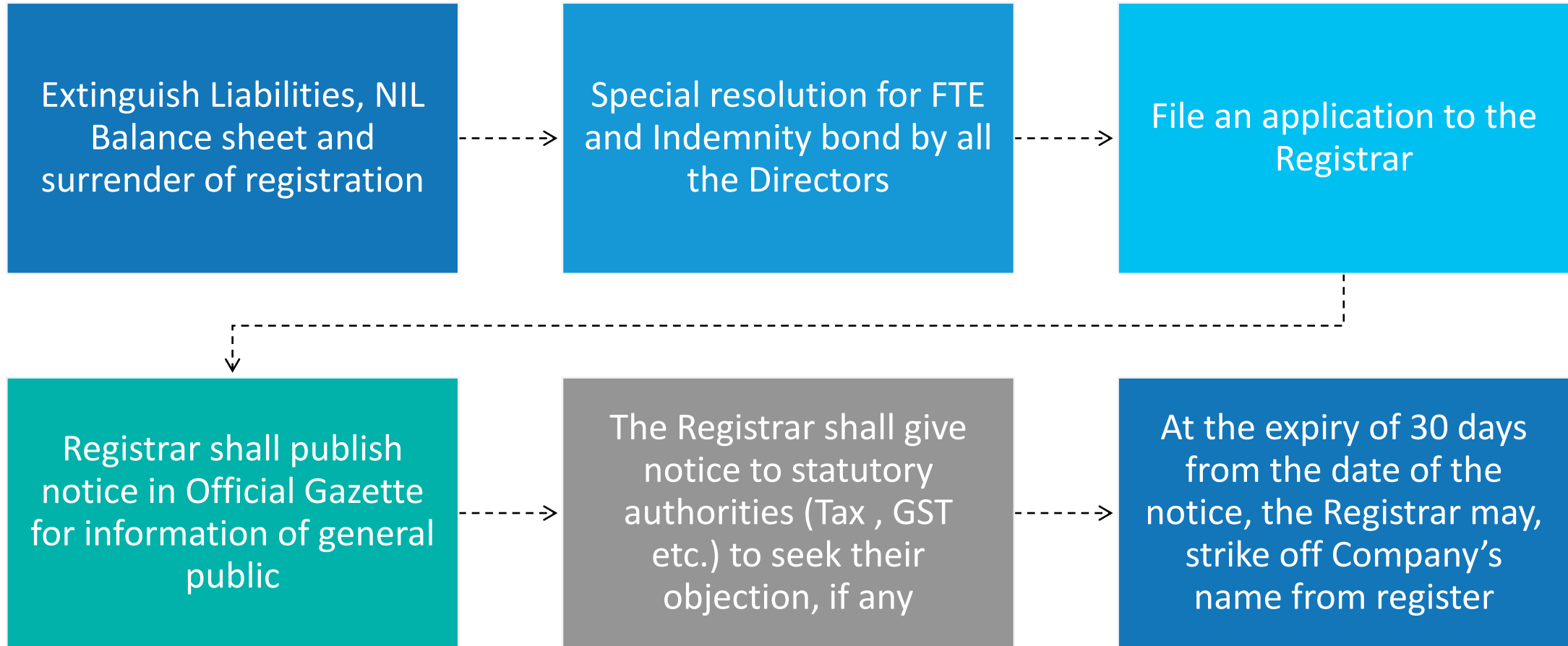
FAST TRACK EXIT [FTE] a.k.a REMOVAL OF NAME

A QUICK OVERVIEW

FAST TRACK EXIT

- **Eligibility:**
 - Fail to commence the business within 1 year of incorporation
 - Not carrying any business / operation for period of last 2 years
- Suitable for **non operational** companies
- Private process
- **Affidavit/indemnity bond by directors**
- To have '**Nil**' **Balance Sheet**
- To apply to Registrar of Company (ROC)
- **Directors liability to continue as if the Company is not dissolved**
- Time Line: ~3-4 months from application

PROCESS - FAST TRACK EXIT





OUR STORY



**PROFESSIONAL
SERVICES
GROUP**



**1000+ PEOPLE
25 PARTNERS**



**1200+
CLIENTS ACROSS
45+ COUNTRIES**



**PARTNER-LED
APPROACH**

SERVICES

ASSURANCE

GOVERNANCE, RISK AND COMPLIANCE | FORENSIC
INTERNAL AUDIT

TAX AND REGULATORY SERVICES

TRANSACTION TAX | TAX ADVISORY | BUSINESS TAX
TRANSFER PRICING | OUTBOUND SOLUTIONS | INDIRECT TAX
FOREIGN PORTFOLIO INVESTORS | REGULATORY SERVICES

BUSINESS ADVISORY

BUSINESS CONSULTING | GREENFIELD ADVISORY | RESTRUCTURING
TRANSACTION ADVISORY | MERGERS & ACQUISITIONS
PROJECT MANAGEMENT OFFICE

COMPLIANCE AND PROCESS MANAGEMENT

CORPORATE SERVICES

ACCOUNTING | PAYROLL
BOOK-KEEPING | STATUTORY
AND SECRETARIAL COMPLIANCE

BUSINESS PROCESS MANAGEMENT

FINANCE & ACCOUNTING
GLOBAL PAYROLL & COMPLIANCE
CONTRACT MANAGEMENT



WON
**ADVISORY PROJECT
OF THE YEAR 2017**
AT THE ACCOUNTANT &
INTERNATIONAL
ACCOUNTING BULLETIN

**INDIA TAX FIRM
OF THE YEAR 2016**
BY INTERNATIONAL
TAX REVIEW

RANKED AMONG THE
**LEADING TAX FIRMS IN
INDIA** FOR EIGHT
CONSECUTIVE YEARS IN
INTERNATIONAL TAX
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RANKED AMONG
THE **LEADING TRANSFER
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