

OFFICE OF THE OFFICIAL LIQUIDATOR, HIGH COURT OF GUJARAT, AHMEDABAD.

Ref.:OL/Estt./4066/2019

Date : 05.12.2019

SCHEME CONTAINING THE TERMS AND CONDITIONS FOR THE EMPANELMENT OF CHARTERED ACCOUNTANTS FOR THE OFFICE OF THE OFFICIAL LIQUIDATOR, ATTACHED TO THE HIGH COURT OF GUJARAT EFFECTIVE FROM 03.12.2019 .

In terms of the order dated 03.12.2019 passed by the Hon'ble High Court of Gujarat in Official Liquidator Report No. 157 of 2019.

I. SCOPE OF THE SCHEME

- (1) The scheme will be operative from the date of approval/orders of the Hon'ble High Court of Gujarat.
- (2) **In charge of matters-** The Official Liquidator, Dy. Official Liquidator and Assistant Official Liquidator will be in charge of the entire work of Companies in Liquidation.
- (3) **Allocation of the work/companies to Chartered Accountants:--**
Allocation of Companies/work to Chartered Accountants to be made by the Official Liquidator or any other officer authorized by him and with the approval of the Hon'ble High Court wherever necessary.

II. DEFINITIONS

For the purpose of this Scheme, the expressions:--

- (i) "Chartered Accountant"- means and include individual Chartered Accountants and Firm of Chartered Accountants, Members of the Institute of Chartered Accountants of India.
- (ii) "Official Liquidator"- means an officer appointed U/s. 448 of the Companies Act 1956 by the Central Government.
- (iii) "Court" – means the Hon'ble Company Court in the Gujarat High Court.

III. PANEL OF CHARTERED ACCOUNTANTS

There will be a panel of Chartered Accountants for the office of the Official Liquidator attached to the Gujarat High Court. The strength of such panel of Chartered Accountants/firms of Chartered Accountants shall be determined by the Official Liquidator based on the volume of work and with the approval of the Hon'ble Company Court in the Gujarat High Court from time to time.

IV. TERM OF ENGAGEMENT/EMPANELMENT

1) **Initial engagement/empanelment**- The term of empanelment of Chartered Accountants shall be for a period of two years or until further orders,. Thereafter, the panel of Chartered Accountants shall be re-constituted after following the due procedures, with the approval of the Hon'ble Company Court in the Gujarat High Court.

V. ELIGIBILITY/QUALIFICATION/EXPERIENCE FOR EMPANELMENT OF C.A.

The Chartered Accountants should be an Associate Member of the Institute of Chartered Accountants of India for a period of at least 03 years and should be in active practice and holding a valid certificate of practice. The applicants would be required to furnish details of their income in the last two years along-with copy of I.T. Returns and would be required to disclose their work profile.

SELECTION PROCEDURE

Applications/Bio data of desirous and eligible Chartered Accountants/firms shall be invited through the Circular issued by the Official Liquidator, in web-sites/notice boards of the Institute of Chartered Accountants of India, Office of the Official Liquidator, High Court of Gujarat and notice boards of other Courts and other organizations.

The applications/bio-data received from the aspiring Chartered Accountants will be scrutinized by a Committee consisting of a Deputy Registrar, High Court of Gujarat, one representatives of the Ahmedabad chapter of Institute of Chartered Accountants of India and the Official Liquidator. The Official Liquidator shall be convener of the selection Committee. The Committee after screening the bio-data and work profile and conducting an inter-action with the aspiring Chartered Accountants will finalize the list of Chartered Accountants and recommended for empanelment, with the approval of the Hon'ble Company Court.

VII. HEADQUARTERS OF THE CHARTERED ACCOUNTANT

The Chartered Accountants will be empanelled from all the places in India. The Chartered Accountant may locate his headquarter during the period of his engagement/empanelment as such in Gujarat & other places.

VIII. DUTIES :

The Chartered Accounts shall be responsible for the following work :-

(A) ASSIGNMENT BASIS :

- i) Preparation and filling of Income Tax Returns of the companies (in liquidation)
- ii) Preparation of annual and half yearly statements of Accounts of Companies (in liquidation) and other returns of the Companies (in liquidation) assigned to them.
- iii) Scrutiny of accounts, ledger and records of the Companies (in liquidation) and to submit a report whether any misfeasance is committed by the Ex-directors of the Companies (in liquidation) or not.
- iv) To scrutinize & examine the Statement of Affairs & other documents filed by Ex-directors of the Companies (in liquidation) and to find out the inaccuracy and inadequacy of such statements.
- v) To verify and quantify the claims of workers and secured creditors and to submit a report regarding eligibility and admissibility of the claims of all the classes of the creditors including workers, secured creditors and to fix-up the ratio of disbursement between workers and secured creditors pursuant to provisions of Section 529 , 529A & 530 of the Companies Act, 1956.

- vi) To verify claim forms submits by ex-workmen / workers' unions of the company in liquidation pursuant to the disbursement order passed by the Hon'ble High Court of Gujarat.
- vii) To examine the books of accounts and records of the transferor companies in the amalgamation matters and to submits a report to the Official Liquidator pursuant to provision of Section 230 to 233 of the Companies Act, 2013.
- viii) To carry out internal audit of Common Pool Account , P. D. Account, all investment in FDRs & EMDs Account as well as companies in liquidation account.
- ix) Any other Misc. work and special work as may be assigned to Chartered Accountants by the Official Liquidator concerning the accounts of the Companies (in liquidation) and Office of the Official Liquidator from time to time.

IX. FEE AND OTHER PERQUISITES PAYABLE TO CAHRTERED ACCOUNTANTS:

The work shall be assigned to Chartered Accountant on assignments basis and their fee for the work shall be as under:--

- (I) For preparation of annual and half yearly statements of Accounts of Companies (in liquidation) and other returns of the Companies (in liquidation), the fee of the Chartered Accountant shall be ₹750/- per each company in liquidation.
- (II) For scrutiny and examination of books of accounts, ledger and records of the Companies (in liquidation) for the purpose to find out instances of misfeasance, the fee of the Chartered Accountant shall be minimum of ₹25,000/- and maximum of ₹50,000/-.

- (III) To scrutinize & examine the Statement of Affairs & other documents filed by Ex-directors of the Companies (in liquidation) and to find out the inaccuracy and inadequacy of such statements, the fee of the Chartered Accountant shall be minimum of ₹25,000/- and maximum of ₹50,000/-.
- (IV) The fee of the Chartered Accountant for verification of claims of secured creditors would minimum of ₹15,000/- and maximum of ₹75,000/-. The fee of the Chartered Accountants for verification of workers claims would be ₹100/- per claim subject to minimum of ₹.5,000/- and maximum of ₹.75,000/-. However, for verification of single claim of any individual worker the fee shall be ₹2500/- only. The fee of the Chartered Accountants for verification of claims of other classes of creditors would be ₹100/- per claim subject to minimum of ₹5,000/- and maximum of ₹70,000/-. However, for verification of single claim of any creditor, the fee of the Chartered Accountants shall be ₹2,500/- only. The fee of the Chartered Accountants for fixation of ratio of disbursement between secured creditors inter-se depending upon their respective inter-se priorities and for fixation of ratio of disbursement between secured creditors and workers shall be ₹5,000/-.
- (V) The fee of the Chartered Accountant for verification of claim forms submits by ex-workmen / workers' unions of the company in liquidation pursuant to the disbursement order passed by the Hon'ble High Court of Gujarat would be ₹75/- per claim form.

- (VI) The minimum fee of the Chartered Accountants to submit a report under section 230 to 233 of the Companies Act, 2013 for amalgamation matters would be ₹15,000/-. If the transferor company is a large size listed company, the maximum fees would be ₹50,000/-. If there are more than one transferor companies the fee of the Chartered Accountants would be ₹10,000/- for each transferor company.
- (VII) The fee of the Chartered Accountant to carry out internal audit of Common Pool Account , P. D. Account, FDRs & EMDs Account as well as companies in liquidation account shall be ₹25,000/- per financial year.
- (VIII) Any other Misc. work and special work as may be assigned to Chartered Accountants by the Official Liquidator concerning the accounts of the Companies (in liquidation) and related to Office of the Official Liquidator other than aforesaid nature of work, such fee in such individual case shall be paid to Chartered Accountant minimum of ₹10,000/- and maximum of ₹45,000/ based on volume of work done and may be vary from case to case basis.
- (IX) The fee of Chartered Accountant shall be paid out of the fund available in the respective company account. However, in case funds are not available in the respective company's account the assignment fee shall be paid out of the Common Pool Account maintained by the office of the Official Liquidator. As and when funds are available in the respective company's account after sale

of assets or other realization, the funds spent out of the Common Pool Account shall be re-couped from the respective Company's accounts. The empaneled Chartered Accountants are required to raise their fee bill on completion of work assigned to them.

(X) The GST if applicable shall also be paid to the Chartered Accountants in addition to the fees payable as aforesaid.

(XI) The Chartered Accountant is required to furnish their bank A/c. / I.F.S.C. Code to account department of the Office of the Official Liquidator to enable them to transfer their fee directly to their bank Account by electronic mode.

X OUT OF HEADQUARTERS:--

The Chartered Accountant shall be entitled for re-imbusement of traveling expenses and lodging and boarding charges in case he travels outside the headquarters for any work assigned to him. However, the re-imbusement of traveling, lodging and boarding expenses supported by vouchers would be restricted to the entitlement of Class-I, Central government Officer, under Government of India Rules.

XI MISCELLANEOUS

(1) The Chartered Accountant will have a right to private practice which should not, however, interfere with the efficient discharge of his duties as a Chartered Accountant on the panel of the Official Liquidator.

(2) In the event of any doubt or difference regarding the fees, the fees determined and decided by the Hon'ble Company Court shall be final and binding.

XII SAVING

Notwithstanding anything contained in the above provisions, the Hon'ble Company Court has inherent power to relax/amend any of the provisions of the scheme, if it is deemed fit to do so in the circumstances.

**SD/-
(R. C. MISHRA) ICLS
OFFICIAL LIQUIDATOR
HIGH COURT OF GUJARAT**