

## **Companies (Official Liquidator's Accounts) Rules, 1965**

**1. Short title.-** These Rules may be called the Companies (Official Liquidator's Accounts) Rules, 1965.

**2. Definitions.-** In these Rules, unless the context otherwise requires,-

(a) "Act" means the Companies Act, 1956 (1 of 1956);

(b) "Official Liquidator" means the official liquidator appointed by the Central Government under section 448 of the Act or by the court under the Indian Companies Act, 1913 (7 of 1913), and includes the court liquidator or official liquidator appointed under section 38A or section 39, as the case may be of the Banking Companies Act, 1949 (10 of 1949);

(c) "Reserve Bank" means the Reserve Bank of India and includes its branches and agencies.

**3. Maintenance of accounts.-** (1) The official liquidator shall maintain in his office separate account in respect of each company under his charge.

(2) The official liquidator shall also maintain-

(a) a central cash book in the form set out in Annexure to these Rules in which shall be recorded all cash transactions, that is, cash receipts remittances to the Reserve Bank and payments to claimants; and

(b) Such other books as may be necessary to work out the consolidated balance for facilitating the periodical reconciliation of the balances in the account referred to in rule 4.

**4. Opening of personal ledger account.-** Every official liquidator shall, with the approval of the Central Government, open a personal ledger account at the nearest branch or agency of the Reserve Bank to be called the "Official Liquidator's Account" (hereinafter referred to as the said account) which shall be a combined account in respect of all the companies under his charge.

**5. Payments into account.-** (1) All moneys received by official liquidator which under the Act are required to be paid into the public account of India shall be paid into the Reserve Bank to the credit of the said account under the head "T-Deposits and Advances-Part II-Deposits not bearing interest-(c)

Other Deposit Accounts-Departmental and Judicial Deposits- Civil Deposits- Personal Deposits- Official Liquidator's Account":

**Provided that** in respect of the amounts paid under sub-section (2) of section 17 of the Deposit Insurance Corporation Act, 1961 (47 of 1961), and any provision for unpaid amounts made under section 20 of that Act by the Deposit Insurance Corporation, the official liquidator shall make payment to that Corporation as required by clause (a) of sub-section (2) of section 21 of that Act.

(2) All moneys realised by the official liquidator each day shall, without deduction, be paid into the credit of the said account not later than the next working day, provided that the remittances to the Reserve Bank may be deferred until the amount realised exceeds Rs. 100.

**6. Deposits of bills for collection.-** All bills, cheques, hundies, notes and other securities of like nature, payable to a company in the charge of the official liquidator or to the official liquidator, shall, as soon as they come into the hands of the official liquidator be deposited by him in the Reserve Bank for being presented for acceptance and payment or for payment, as the case may be, and the proceeds, when realised, shall be credited by the Reserve Bank to the said account and the fact intimated to the official liquidator. Any discount deducted or allowed on realization by the official liquidator in payment of the amount due to him or other bank charges or any other charges shall be recoverable from the persons making the payment.

**7. Remittance.-** (1) Payments made in cash and those made by cheque shall be remitted to the Reserve Bank under separate challans.

(2) The acknowledgement of the Reserve Bank shall be obtained for all moneys remitted into the Reserve Bank to the credit of the said account.

**8. Withdrawals from Bank.-** All moneys required by the official liquidator for meeting the expenses of, or for making cash payments in connection with, the liquidation of a company in his charge, shall be withdrawn from the Reserve Bank by cheques and every payment made by the official liquidator in excess of Rs. 50 shall be made by cheque drawn against the said account.

**9. Periodical examination of accounts.-** The official liquidator shall, at the end of every three months, examine the account of each company in his charge to ascertain what moneys are available for investment and record in the record book of the company the fact of his having examined the

accounts, the decision taken by him regarding the investment, and in case he decides not to invest any surplus funds, the reasons for such decisions.

**10. Investment of surplus funds.-** (1) The official liquidator shall invest all such moneys in respect of company in liquidation in his charge which are not immediately required for the purpose of winding-up in Government securities, or, with the permission of the court, in trustee securities or in interest-bearing deposits in the State Bank of India or in any other scheduled bank, provided that the Reserve Bank shall make such investment in Government securities or trustee securities only on receipt of the written request from the official liquidator in this behalf.

(2) Such securities shall be retained in the Reserve Bank in the name and on behalf of the official liquidator.

(3) Such securities shall not be sold, except by the Reserve Bank and except under the written instructions of the official liquidator, provided that the Reserve Bank shall not make any such investment unless the official liquidator requests in writing to do so.