

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
OFFICE OF THE OFFICIAL LIQUIDATOR
HIGH COURT BOMBAY**

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**TERMS AND CONDITIONS RELATING TO PANEL OF CHARTERED
ACCOUNTANTS AND VALUERS**

1. The eligibility for Chartered Accountants:

- a. The Chartered Accountant should be a member of Institute of Chartered Accountants of India who is are in practice for more than 10 years. A copy of Certificate of Membership & Certificate of practice in support thereof needs to be submitted with application.
- b. The office of Chartered Accountant should be located throughout Mumbai and should have at least 10 or more Employees and Trainees. Proof of office located in Mumbai shall be submitted with application.
- c. There should no complaint pending against the applicant Chartered Accountant before the Institute of Chartered Accountants of India, NFRA or any other regulatory authority. Chartered Accountants should not have been subjected to penalty or fine or cost by ICAI, ICSI or NFRA for professional misconduct or violation of code of conduct prescribed by the Institutions / Organizations. Declaration to that effect to be submitted at the time of application.
- d. The Chartered Accountant should have experience of Adjudication of claims or / and have already worked with any of the Official Liquidators on Adjudication of claims.
- e. The Chartered Accountant should be conversant with winding up proceedings of companies.
- f. The Chartered Accountant should have worked as Statutory Auditor in at least 10 Public Limited companies in last five years. Proof for the same shall be submitted with application.
- g. The Chartered Accountant should be conversant with process of Scrutiny / Investigation of Books of Accounts and other records of companies and submit a report advising the Official Liquidator as to whether the affairs of the transferor company have or have not been

conducted in a manner prejudicial to the interest of its members or to the public interest.

2. The eligibility for Valuers:

- a. The Valuers shall be a 'Valuer' as defined under Companies (Registered Valuers and Valuation) Rules, 2017 read with Section 247 of the Companies Act, 2013.

The eligibility conditions as mentioned above may be relaxed by the Official Liquidator, Mumbai or the Hon'ble High Court, Bombay on the basis of expertise of the applicant Chartered Accountant in given field.

3. The Chartered Accountants who wish to give their application in this regard are required to furnish the following information amongst others:

- a. Name & address of communication alongwith Phone Number & e-mail ID:
- b. Details of GST, TAN, PAN of the Chartered Accountants.
- c. In case of Valuer, the Registration / Recognition / from Appropriate Govt. Authority.

4. Works profile and Fees Structure of the Chartered Accountant for Adjudication and fees structure:

Work profile

- a. Adjudication of claims i.e. 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 and preparing the list to be filed with Registrar of Hon'ble High Court, Bombay. To verify Notice of Payment submitted by ex-workmen / workers' unions of the company (In Liqn.) pursuant to the disbursement order passed by the Hon'ble High Court of Bombay.

Fees structure.

- a. The fee of the Chartered Accountant for adjudication of claims shall be as follows:

Services	Proposed Fees (Rs.)
Adjudication of claims of Workers / employees	Rs. 500/- per claim
Adjudication of claims from Government Department (i.e. Government dues)	Rs. 5,000/- per claim
Adjudication of claims of Bank / Financial Institutions	Rs. 10,000/- per claim
Adjudication of claims of other all types of creditors	Rs. 1,000/- per claim

The above fees are exclusive of all applicable taxes and out of pocket expenses (on actual), restricted to the entitlement of Group-A, Central Government Officer of the rank of Under Secretary to the Government of India, Under Government of India Rules for Chartered Accountants and Group-B, Central Government Employee, Under Government of India Rules for Team Members of Chartered Accountants.

5. Works profile and Fees Structure of the Chartered Accountant for Identification of documents and fees structure:

Work profile

- a. To accompany the representative of Official Liquidator, Mumbai at the time of taking possession of assets of company to make inventory of statement of accounts and other records and ascertain the important records which needs to be taken up and keep in the Office of Official Liquidator, Mumbai for further liquidation proceeding purpose. Thereafter the Chartered Accountant shall issue a certificate to the effect stating that, 'after carrying on the thorough search of records available, the documents / information required for carrying on liquidation proceeding & misfeasance have been selected and the list be given.'

Fees structure.

- a. The fee of the Chartered Accountant for identification of important records which needs to be taken up and keep in the Office of Official Liquidator, Mumbai for further liquidation proceeding purpose shall be Rs. 20,000/- for each day up to maximum Rs. 1,00,000/- for assignment. The above fees are exclusive of all applicable taxes and out of pocket expenses (on actual), restricted to the entitlement of Group-A, Central Government Officer of the rank of Under Secretary to the Government of India, Under Government of India Rules for Chartered Accountants and Group-B, Central Government Employee, Under Government of India Rules for Team Members of Chartered Accountants.
 - b. The Chartered Accountant shall be entitled for re-imburement of travelling expenses relating to local travel for attending the assigned work. However, the re-imburement of traveling expenses supported by vouchers would be restricted to the entitlement of Group-A, Central Government Officer of the rank of Under Secretary to the Government of India, Under Government of India Rules and Group-B, Central Government Employee, Under Government of India Rules for Team Members of Chartered Accountants..
 - c. The Chartered Accountant shall be entitled for re-imburement of travelling expenses and lodging and boarding charges in case he travels outside the headquarters for any work assigned to him. However, the re-imburement of traveling, lodging and boarding expenses supported by vouchers would be restricted to the entitlement of Group-A, Central Government Officer of the rank of Under Secretary to the Government of India, Under Government of India Rules and Group-B, Central Government Employee, Under Government of India Rules for Team Members of Chartered Accountants.
6. **Work Profile and Fees Structure of Chartered Accountant for Scrutiny / Investigation of Books of Accounts and other records of companies for Merger & Amalgamation cases**

Work Profile

- a. To aid and assist the Official Liquidator, Mumbai by conducting Investigation of Books of Accounts and other records of companies and submit a report advising the Official Liquidator as to whether the affairs of the transferor company have or have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

Fees Structure

- a. For the works as mentioned in para 5(a) above, as may be assigned to Chartered Accountants by the Hon'ble NCLT, Mumbai concerning the scheme of Merger & Amalgamation and related to Office of the Official Liquidator, Mumbai shall be paid to Chartered Accountant, based on the order of Hon'ble NCLT, Mumbai.

7. Works profile and Fees Structure of the Chartered Accountant for other works viz., Forensic Audit, Misfeasance cases, Preparation & filing of Statement of Accounts, Income Tax Returns, Audit of Common Pool Account, PD Account, FDRs & EMDs and other work as may be assigned:

Work Profile

- a. Preparation and filing of Income Tax Returns of the companies (In Liqn.).
- b. Preparation of Annual and Half Yearly Statement of Accounts of Companies (In Liqn.) and other returns of the Companies (In Liqn.) assigned to them.
- c. Investigation and Scrutiny of accounts, ledger and records of the companies (In Liqn.) and to submit a report whether any misfeasance is committed by the Ex-directors of the Companies (In Liqn.) or not.
- d. To scrutinize & examine the Statement of Affairs & other documents filed by Ex-directors of the Companies (In Liqn.) and to find out the inaccuracy and inadequacy of such statements.
- e. To carry out internal audit of Common Pool Account, P.D. Account, all investment in FDRs & EMDs Account as well as company's liquidation account.

- f. To carry out Forensic Audit whenever Official Liquidator, Mumbai finds it necessary to conduct the same on suo-motto or on request of Secured Creditors.
- g. Any other Misc. work and special work as may be assigned to Chartered Accountants by the Official Liquidator concerning the account of the Companies (In Liqn.) and Office of the Official Liquidator from time to time.

Fees Structure

Sr. No.	Description of work	Rate (in rupees)	Remarks
1.	Preparation of Half Yearly Account (2 HYA for each year)	1,000/-	(exclusive of applicable taxes)
2.	Preparation of Final Account (in case of dissolved company)	1,000/-	(exclusive of applicable taxes)
3.	Filing of GST return	2,000/- for each monthly return.	(exclusive of applicable taxes)
4.	Calculation of estimated Advance tax Liability and filing of Income Tax return	4,000/- for each Company (In Liquidation) for each financial year.	(exclusive of applicable taxes)
5.	Physical verification and reconciliation of Fixed Deposit register	50,000/- for each quarter.	(exclusive of applicable taxes)
6.	Filing of Professional tax return	1,500/- for monthly return.	(exclusive of applicable taxes)
7.	Filing of e-TDS return quarterly (i.e.24Q and 26Q)	4,000/- per quarterly return.[(exclusive of applicable taxes)

- a. The Chartered Accountant shall be entitled for re-imbusement of travelling expenses relating to local travel for attending the assigned work. However, the re-imbusement of traveling expenses supported by vouchers would be restricted to the entitlement of Group-A, Central Government Officer, Under Government of India Rules and Group-B, Central Government Employee, Under Government of India Rules for Team Members of Chartered Accountants.

- b. The Chartered Accountant shall be entitled for re-imbusement of travelling 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 Group-A, Central Government Officer of the rank of Under Secretary to the Government of India, Under Government of India Rules and Group-B, Central Government Employee, Under Government of India Rules for Team Members of Chartered Accountants..

8. Work profile and Fees Structure of Valuers for Valuation of Movable as well as Immovable assets of the Companies (in Liquidation)

Work Profile

- a. Valuation of Movable Assets of the Companies (in Liquidation).
- b. Valuation of Immovable Assets of the Companies (in Liquidation).
- c. The Valuer should satisfy himself as regards to valuation given by him and also be able to give reasoning for valuation given in case questioned by the Hon'ble Court for wrong valuation.
- d. The Valuer/Firm should make all enquiries with Government authorities as regards to the title of the property / land records, etc.
- e. The inventory of all the items of the immovable/movable assets will be done at the time of inspection by the Valuer.
- f. The Valuer/ Firm should give inventory of movable/ immovable assets without giving value, separately.
- g. The Valuer/Firm should submit valuation report in sealed cover and should not disclose the valuation to any third party.

Fees Structure

- a. The Valuer/ firm will claim the professional fees as per the CBDT Rules. The Travelling allowances will be paid on actual basis. Further the applicable taxes will be paid separately.
- b. The Office of the Official Liquidator will obtain orders from the Hon'ble High Court and make payments to the Valuer/ Firm wherever funds are available to the credit of the companies (In Liqn.)

9. Other Terms and conditions for empanelment are given as under:

- a. The Chartered Accountants / Valuers will provide services to the Official Liquidator within a possible short period as required by the Official Liquidator.
- b. The Chartered Accountants / Valuers will not refuse or find any excuses to provide services as and when desired by the Official Liquidator.
- c. The office of the Official Liquidator will obtain orders from the Hon'ble High Court and make payments to the Chartered Accountants / Valuers.
- d. The chartered Accountants / Valuers 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, Mumbai.
- e. The Official Liquidator can remove any empaneled Chartered Accountant / Valuer in case of any complaint of any wrong calculation, professional misconduct, breach of privacy of information to any third party, refusal to accept assignment, failure to complete work within stipulated time and Official Liquidator will also hold or forfeit payment of such empaneled Chartered Accountant / Valuer unless ordered by the Hon'ble Court.
- f. With respect to panel of Chartered Accountant for Adjudication of claims, the Official Liquidator can remove any empaneled Chartered Accountant in case of non-acceptance of work, after giving an opportunity of being heard. The payment of such empaneled Chartered Accountant may also be held or forfeited unless ordered by the Hon'ble Court.
- g. The fee of Chartered Accountants / Valuers shall be paid out of the fund available in the respective company accounts. 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 @ 9%. The

empaneled Chartered Accountants are required to raise their bill on completion of work assigned to them.

- h. The applicable taxes shall also be paid to the Chartered Accountants / Valuers in addition to the fees payable as aforesaid.
- i. Chartered Accountants / Valuers are required to furnish their bank A/c. / I.F.S.C. code to Accounts Department of the Office of the Official Liquidator to enable them to transfer their fee directly to their bank Account by electronic mode after applicable deductions.
- j. Official Liquidator may empanel new Chartered Accountant by replacing the existing Chartered Accountant / Valuer whenever the situation requires due to termination of existing empaneled Chartered Accountant / Valuer after approval of this court.
- k. 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.
- l. Notwithstanding anything contained in the above provisions, the Hon'ble Company Court has inherent power to relax/amend any of the Terms & Conditions of above mentioned panels of Chartered Accountants / Valuers, if it is deemed fit to do so in the circumstances.

Sd/-

(CHANDAN KUMAR)
OFFICIAL LIQUIDATOR
HIGH COURT, BOMBAY

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Place: Mumbai.

Date: 2nd May, 2023