

Company's Liquidation Accounts Rules, 1965

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Company's Liquidation Accounts Rules, 1965

¹1. See section 555(3) of the Companies Act, 1956. In exercise of the powers conferred by sub-section (3) of section 555, read with sub-section (7) of section 642 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following Rules, namely.-

1. Short title :-

These Rules may be called the Company's Liquidation Accounts Rules, 1965.

2. Definitions :-

In these Rules, unless the context otherwise requires,-

- (a) "Act" means the Companies Act, 1956 (1 of 1956);
- (b) "Liquidator" means the liquidator of a company appointed under the Act or Banking Companies Act, 1949;
- (c) "Reserve Bank" means the Reserve Bank of India and includes its branches and agencies;
- (d) "Annexure" means an annexure to these rules.

3. Head of account :-

All moneys representing unpaid dividends or undistributed assets in the hands or under the control of the liquidator which, under sub-sections (1) and (2) of section 555 of the Act, are required to be paid into public account of India, shall be paid into the Reserve

Bank within a period of fourteen days from the date on which the moneys become so due to the credit of the Company's Liquidation Account (hereinafter referred to as "the said Account") under the major head " "Civil Deposits" in section 'T'- Deposits and advances- PartII-Deposits not bearing interest-(c) Other Deposits Accounts- Departmental and Judicial Deposits". The said moneys shall be paid into an office of the Reserve Bank situated in the State in which the registered office of the company in liquidation is situated: Provided that in respect of the amounts paid under sub-section (2) of S.17 of the Deposit Insurance Corporation Act, 1961, and any provision for unpaid amounts made under section 20 of that Act by the Deposit Insurance Corporation, the liquidator shall make payment to the Corporation as required by clause (a) of sub-section (2) of section 21 of the Act.

4. Payment of investment and deposits :-

Any money belonging to a company under liquidation which the liquidator has invested or deposited at interest shall, when such money forms part of the unclaimed dividends or undistributed assets of the company, be realised, or, as the case may be, be withdrawn and paid to the credit of the said account.

5. Operation of the account :-

The said account shall be operated by the Registrar of Companies of the State in which the registered office of the company in liquidation is situated.

6. Maintenance of account by the Registrar :-

The Registrar of Companies shall cause to be maintained in his office separate accounts in respect of each company whose unpaid dividends or undistributed assets are deposited in the said account.

7. Statement to Registrar :-

The liquidator shall, when making any payment to the credit of the said account, furnish to the Registrar of Companies concerned a statement in the form set out in Annexure I containing the particulars specified in sub-section (3) of section 555 of the Act.

8. Claims for payment through court :-

Any person who claims to be entitled to any money paid into the said account and who makes an application to the court under clause (a) of sub-section (7) of section 555 of the Act, for payment of such money, shall state whether he has made any application to the Central Government for the payment of the money and if so,

the result of the application,

9. Claims for payment through Central Government :-

(1) Any person applying to the Central Government under clause (b) of sub-section (7) of section 555 of the Act, shall make such application under his own signature or through a power of attorney-holder, giving details of the amount and the name of the company from which the amount is due to him.

(2) Every such application shall be accompanied by a treasury challan in token of payment of fees chargeable for the amount of the claims in terms of Companies (Fees on Applications) Rules, 1968. Such fees shall be deposited into the Government Treasury under the head ¹["104-Other General Economic Services-Regulation of Joint Stock Companies-Fees realised by the Central Government on applications made to it under the Companies Act, 1956 "].

(3) The application received by the Central Government shall be sent to the Registrar of Companies concerned, who shall verify from his records and certify whether the claimant is entitled to money claimed by him and whether according to the records with the Registrar, no application from the claimant is pending in any court for payment of the money.

(4) The Central Government may direct the Registrar of Companies concerned to obtain from the liquidator of the company, in case the company has not been finally wound-up, a report certifying whether the claimant is or is not entitled to the whole or any part of the amount claimed, and on receipt of a communication from the Registrar in that regard, the liquidator shall submit a report to the Central Government through the Registrar specifying the amount, if any, to which the claimant is entitled.

(5) Where the claimant's title to the aforesaid money has been established to the satisfaction of the Central Government, that Government shall direct the claimant (not being the Central Government itself, a State Government, a Government company within the meaning of section 617 of the Act or a local authority) to execute an indemnity bond with or without surety in the form set out in Annexure II or as near thereto as may be on a non-judicial stamp paper of the value payable in the State of execution or acceptance.

(6) On receipt of the report referred to in sub-rule (4) and the

indemnity bond, if any, duly executed by the claimant, the Central Government shall issue a payment order sanctioning the payment of the amount due to the claimant.

(7) Notwithstanding anything in sub-rule (4) or sub-rule (5), the Central Government may, where the amount claimed is not more than ² [one thousand rupees] and the claimant establishes his title to the money to its satisfaction, issue an order sanctioning the payment of the amount due to the claimant.

(8) The claimant, on receipt of the order under sub-rule (6) or sub-rule (7), shall obtain payment of the amount from the Registrar of Companies concerned or such other Registrar of Companies as may be specified in that order after delivering to him a stamped receipt bearing the signature of two witnesses.

(9) The Registrar of Companies concerned shall, in the accounts maintained by him, cause a note to be made therein of any payment having been made.

1. Substituted by GSR 2597, dated 25-10-1975, w.e.f 1-11-1975.
2. Substituted by GSR 626, dated 15-5-1978.