

THE HON'BLE SRI JUSTICE C.V. NAGARJUNA REDDY

COMPANY APPLICATION No.766 of 2014

IN

R.C.C.No.2 of 1997

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Dated: 22.09.2014

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The Official Liquidator,
High Court of Judicature at Hyderabad.

.. Applicant

Counsel for the applicant: Mr. M. Anil Kumar

The Court made the following:

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ORDER:

This application is filed for approval of panel of chartered accountants for preparation of annual statements relating to all the companies in liquidation; for fixing the fees of chartered accountants so empanelled, as per the present cost of living; for granting time for filing annual accounts, and to order costs of this application to come out of the funds of the companies in liquidation.

In his report dated 17.09.2014, the Official Liquidator has stated that the Assistant Official Liquidator has sent letters to 15 firms on 26.08.2014, requesting them to convey their willingness for preparation of annual statements in terms of Rule 311 of the Companies (Court) Rules, 1959 read with Section 551 of the Companies Act, 1956, that in response thereto, eight chartered accountants have conveyed their willingness. It is further stated in the report that six auditors have voluntarily furnished their willingness, by way of letters. The report has, thus, mentioned, in all, 14 names of the chartered accountants.

Mr. M. Anil Kumar, learned counsel for the Official Liquidator, stated that the panel, if approved, will be a general panel for taking up the work of audit/preparation of accounts for the post liquidation period of all the companies ordered to be wound up by this Court. He has further stated that as of now, the panel consists of five chartered accountants and that it will be feasible if ten more chartered accountants are added to the panel. He has requested that out of 14 names mentioned in the report of the Official Liquidator, four names

may be excluded and that they are 1) M/s. Laxminiwas & Co., Hyd., 2) M/s. G. Sai Lekhraj & Associates, Hyd., 3) M/s. Venkata Rama & Associates and 4) M/s. A.G. Hegde & Co. This request of the learned counsel for the Official Liquidator is accepted and, accordingly, the said names have been deleted from the panel and the following names are directed to be included in the panel:

- 1) M/s. A.V. Ratnam & Co., Hyd.,
- 2) M/s. N. Saibaba & Co., Hyd.,
- 3) M/s. Syed & Syed, Hyd.,
- 4) M/s. K. Suseela & Co., Hyd.,
- 5) M/s. S.V. Rao Associates, Hyd.,
- 6) M/s. Deva & Co., Hyd.,
- 7) M/s. Vijaya Bhaskar & Co.,
- 8) M/s. CVS. Balachandra Rao & Co.,
- 9) M/s. Kapasi Bangad & Co.,
- 10) M/s. CA. Vijaya Kumar KLP.

With respect to the fees of the chartered accountants empanelled, the Deputy Official Liquidator, in his affidavit filed in support of the application, has stated that the fees of the chartered accountants was fixed by order dated 10.09.2008 in Company Application No.175 of 2008 in RCC.No.2 of 1997 as under:

- i) At the rate of 100/- per account where there is no realization and expenditure;
- ii) at the rate of Rs.200/- per account where there is no realization but there is expenditure;
- iii) at the rate of Rs.700/- per account, where the realization does not exceed Rs.50,000/- and
- iv) at the rate of Rs.900/- per account, where the realization exceeds Rs.50,000/-.

Learned counsel for the Official Liquidator submitted that due to lapse of six years and steep increase in the cost of living, the fees in respect of each item mentioned above may be doubled. This Court

finds this request reasonable. Accordingly, the fees mentioned in items (i) to (iv) reproduced above is doubled. The Official Liquidator is accordingly permitted to pay the fees fixed as above.

With regard to the grant of time for filing annual accounts, the learned counsel for the Official Liquidator submitted that the office of the Official Liquidator has received all the annual accounts, that the Official Liquidator will entrust finalization of annual accounts to the respective chartered accountants and that some reasonable time may be granted for filing the annual accounts. The Official Liquidator is granted six months time for this purpose. It is further directed that the costs of this application do come out of the assets of the respective companies in liquidation.

The company application accordingly stands disposed of.

C.V. NAGARJUNA REDDY, J

22nd September, 2014
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