DRAFT RULES UNDER COMPANIES ACT, 2013

CHAPTER XIX

REVIVAL AND REHABILITATION OF SICK COMPANIES

Determination of sickness.

19.1 (1) Every application made to the Tribunal under sub-section (1) of section 253 by one or more secured creditors of a company, (hereinafter referred to as 'debtor company'), for determination whether the debtor company is a sick company, shall be made in **Form A.** The application can be made by the secured creditors collectively, wherein they can be mentioned as 'secured creditors' or a single secured creditor on behalf of others on authorization.

(2) No such application shall be made unless accompanied by the following:

(i) prescribed fees as specified in Annexure B;

(ii) copy of the initial demand notice issued by the applicant upon the debtor company and such notice should be dated at least ninety days prior to the date of making the application in the event of non-payment of debt;

(iii) proof of service of the demand notice upon the debtor company;

(iv) any acknowledgement and reply, if any, or correspondence, if any, received from the debtor company in pursuance of the demand notice;

(v) an up to-date statement of the ledger account of the respective secured creditors showing the amount receivable and the amount shown in the demand Notice;

(vi) copies of the audited financial statements of last five financial years, if available, of the debtor company;.

(vii) the authorisation issued by the respective secured creditors in favour of the creditor acting on authorization for filing the application and the original authorization issued by the secured creditor in favour of the signatory of the application; and

(viii) any other document which the applicant or applicants may consider necessary for effective determination of sickness.

(3) For the purposes of sub-section (2) of section 253, subject to provisions of sub-section (1) of section 254, where the applicant, at the time of making such application in **Form A,** makes a prayer for the stay of any proceeding for the winding up of the company or for execution, distress or the like against any property and assets of the company or for the appointment of a receiver in respect thereof and that no suit for the recovery of any money or for the enforcement of any security against the company shall lie or be proceeded with, such interim relief shall be prayed for in the application in **Form A:**

Provided that where an application for the stay of any proceeding for the winding up of the company or for execution, distress or the like against any property and assets of the company or for the appointment of a receiver in respect thereof

and that no suit for the recovery of any money or for the enforcement of any security against the company shall lie or be proceeded with, is to be made at any stage of proceedings after the filing of **Form A**, it shall be made in **Form B** and accompanied by a fee as specified in **Annexure C.**

(4) No application either under sub-section (1) or sub-section (2) of section 253 shall be made unless a notice thereof has been issued to the debtor company not less than fifteen days prior to the making of the application. Such notice shall be in **Form C.** The notice shall mention the date and place at which the applicant intends to move the application before the Tribunal.

(5) Before passing an order declaring the debtor company as a sick company, the Tribunal shall take into account reasons for default in payment of dues and position of debts owed by the debtor company to its creditors, both secured and unsecured and if satisfied that there exist sufficient reasons warranting the passing of such an order, the Tribunal may do so.

(6) No such order shall be passed without giving the debtor company an opportunity of being heard:

Provided that if the debtor company willfully abstains from participating in the proceedings before the Tribunal, summons requiring the presence of debtor company shall be directed to be published in writing on the notice board at or upon the door or gate at the entrance of the premises, where the registered office of the debtor company is situate and despite causing such notice, if the debtor company does not enter appearance,

it shall be deemed that the debtor company was duly granted adequate opportunity for being heard and the Tribunal may proceed accordingly.

(7) The order of the Tribunal declaring the debtor company as a sick company shall be in **Form D.**

(8) If the Tribunal grants stay, in pursuance of sub-sections (2) and (3) of section 253, of any proceedings for the winding up of the company or for execution, distress or the like against any property and assets of the company or for the appointment of a receiver in respect thereof, such order shall also direct the applicant or the debtor company to file a certified copy of the said order with the respective court or any other judicial forum where such proceedings have been continuing.

(9) Upon determination of the debtor company as a sick company, the applicant at its own cost shall cause the publication of a notice in **Form E** at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated and circulating in that district and at least once in English in an English newspaper circulating in that district within seven days from the date of the receipt of certified copy of order of the Tribunal determining the debtor company as a sick company.

(10) Every application made to the Tribunal under sub-section (4) of section 253 shall be made in **Form A.** Rules 19.1 (2) to (9) shall apply to such application *mutatis mutandis*.

Application for revival and rehabilitation.

19.2 (1) Every application made to the Tribunal under sub-section (1) of section 254 by one or more secured creditors of a sick company, or by the sick company, for determination of measures that may be adopted with respect to the revival and rehabilitation of such company shall be made in **Form F**. No such application shall be permitted to be filed by the Registry of the Tribunal unless it has been made within sixty days from the date of the order under sub-rule (7) of rule19.1.

Provided that the Tribunal may, if satisfied, for reasons to be recorded in writing, condone the delay of not exceeding thirty days in filing the application, however, if no application is received within the said period of thirty days, the Tribunal may pass an order to the effect that the company cannot be revived and the provisions of section 256 and section 258, shall apply.

(2) For the purposes of sub-section (2) of section 254, no such application shall be filed unless it is accompanied by the following:

(i) a copy of the audited financial statements, if available, of the debtor company for the financial year immediately preceding the date of the application.

(ii) the fee prescribed in Annexure B;

(iii) any other document which the applicant or applicants may consider it necessary for determination of the measures to be adopted for the revival and rehabilitation of the sick company .

(iv) a draft scheme of revival and rehabilitation in **Form No. G**.

Provided that where application is made by the sick company and it is unable to present a draft scheme, the application shall be accompanied by a declaration to that effect as per sub-section (2) of section 254 duly verified and signed by any two of its directors and duly supported by a resolution of its Board of directors.

Appointment of interim administrator.

19.3 (1) Within seven days of receipt of an application under sub-rule (2) of rule 19.2, the Tribunal shall, by an order**,** –

(i) post the matter for being heard before Tribunal on any date not later than ninety days from the date of receipt of the application;

(ii) direct that a notice be sent to the debtor company, if it is not the applicant;

(iii) appoint an interim administrator. The order appointing the interim administrator shall be in **Form H.**

(iv) direct the interim administrator to cause the publication of a notice in **Form I** at least once in a vernacular newspaper

in the principal vernacular language of the district in which the registered office of the company is situated and circulating in that district and at least once in English in an English newspaper circulating in that district within seven days from the date of receipt of the certified copy of the order of the Tribunal appointing him.

(v) direct the interim administrator to call and convene a meeting of the creditors within forty five days from the date of the order.

(vi) direct the interim administrator to ascertain and submit a report, within sixty days from the date of the order whether it is possible to adopt certain measures for the revival and rehabilitation of the sick company. The report of the interim administrator shall be in **Form J.**

(vii) give directions to the interim administrator to protect and preserve the assets of the sick company and for its proper management.

(2) Where the sick company did not submit a draft scheme of revival and rehabilitation within thirty days from the date on which meeting of creditors is held, the Tribunal may direct the interim administrator to take over the management of the sick company upon which the interim administrator shall take over the management of the sick company and such order shall further direct the interim administrator-

(i) to notify the sick company to that effect;

(ii) to cause the publication of a notice at least once in a vernacular newspaper in the principal vernacular language of

the district in which the registered office of the company is situated and circulating in that district and at least once in English in an English newspaper within seven days from the date of receipt of certified copy of the order of the Tribunal directing him to take over the management of the sick company;

(iii) a copy of the aforesaid notice shall be displayed on the notice board of the registered office on the website of the company, if any, and at such other places where the business of the company is carried out. The notice shall also be given to all the directors, bankers, income-tax authorities, Registrar of Companies having jurisdiction over the registered office of the company and all concerned with the affairs of the sick company that he has taken over the management of the sick company;

(iv) to call for such information and explanation as he may require from such persons and parties as he may deem fit;

(v) to apply to the Tribunal for meeting any exigencies.

(3) The interim administrator shall be entitled –

(i) to have an office at the registered office of the sick company;

(ii) to be entitled to access all information and inspect all books and papers, books of account, registers and records of the sick company at all places where the sick company has offices, branches, divisions, factories, godowns, and such other places where the affairs of the sick company are being or have been carried as ascertained from the records of the sick company.

(iii) to apply to the executive magistrate of the district for any protection that may be required for safeguarding himself and

his assistants and assets and properties, books and records of the sick company.

(iv) to apply to the Tribunal for such orders or directions or assistance as may be necessary.

(v) to apply for extension of time for anything to be done under these rules within a stipulated time.

(4) The Board of directors of the debtor company shall call a meeting within seven days of appointment of interim administrator to depute one or more officers of the company to provide all assistance that the interim administrator may require.

(5) The Tribunal shall determine the fee payable to the interim administrator which shall be borne by the applicant; where there are two or more applicants, by all of them in such proportion as the Tribunal may direct.

(6) The interim administrator shall be entitled to reimbursement of all costs, charges and expenses incurred by him subject to sanction by the Tribunal and shall be entitled to an advance on costs.

(7) On the application of any secured creditor or the sick company, if the Tribunal is satisfied that the conduct of the interim administrator was not fair and reasonable in the facts and circumstances obtained at that time when such question had arisen, after giving him an opportunity of being heard, it may, by order, terminate the office of the interim administrator and appoint in his place another person as the interim administrator and give such interim administrator such time as may be necessary.

Meetings of the creditors.

19.4 (1) For the purposes of section 256, the notice of meeting of creditors shall be issued to all creditors in **Form K** and not less than twenty one clear days shall be there between the date of issue of the notice and the date of the meeting.

(2) The quorum for a meeting of creditors shall be the presence in person or by proxy of creditors representing not less than fifty one percent of value of debts owed by the sick company to the creditors or creditors representing such other percentage of value of debts owned by the sick company to that creditors as may be ordered by the Tribunal and even the presence of single creditor may be sufficient to form a valid quorum.

(3) The interim administrator shall chair the meetings of the creditors.

(4) Decisions in the meeting of creditors shall be made by requisite majority of votes and value of debt owed by the sick company shall determine the number of votes of a particular creditor. The decision of the interim administrator shall be final as regards the value of debt owed to a particular creditor by the sick company. Any accidental omission to consider, include or issue notice to one or more unsecured creditors shall not invalidate any action taken by the interim administrator or as the case may be, by the creditors in good faith.

Committee of creditors.

19.5 (1) As soon as may be possible, but before the issuance of the notice calling the meeting of creditors in pursuance of clause (b) of sub-section (1) of section 256, the interim administrator shall, after determining the particulars of the classes of creditors of the sick company, for the purpose of section 257, constitute a committee of creditors with not more than seven members giving representation to each class of creditors. The committee so constituted shall recommend the measures that may be required to be adopted for revival and rehabilitation of the sick company.

(2) The interim administrator shall hold such number of meetings of committee at such intervals as he may deem fit so as to present a report to the Tribunal within sixty days from the date of the order of his appointment.

(3) The interim administrator shall chair the meetings of the committee of creditors and regulate the meetings, as he thinks fit.

(4) Any promoter, director or any key managerial personnel directed by the interim administrator under sub-section (3) of section 257 to attend any meeting of the committee of creditors and to furnish such information as may be considered necessary by the interim administrator, shall be under an obligation to attend the meeting and provide such information and explanation as may be required.

Order of Tribunal and appointment of company administrator.

19.6 (1) On the date of hearing, if the Tribunal is satisfied that the creditors representing three-fourth in value of the amount outstanding against the sick company present and voting had resolved that it is not possible to revive and rehabilitate the sick company it may after giving the sick company an opportunity of being heard, by order direct the winding up of the sick company or if such requisite majority had resolved that by adopting certain measures it is possible to revive and rehabilitate the sick company, it may, by order, appoint a company administrator directing him to prepare a scheme of revival and rehabilitation for the sick company. The order of the Tribunal shall be in **Form L** if the Tribunal orders the winding up of the sick company and in **Form M** if the Tribunal orders to appoint a company administrator**.**

(2) The order appointing the company administrator may contain such directions to the company administrator including but not limited to taking a complete inventory of all assets and liabilities of the sick company; all books of account, registers, maps, plans, records, documents of title and all other documents of whatever nature.

(3) The company administrator shall give public notice of the order of the Tribunal, appointing him to prepare the scheme of revival and rehabilitation and if applicable, the order of the Tribunal directing him to take over the assets or the management of the sick company, in **Form N** at least once in a vernacular newspaper

in the principal vernacular language of the district in which the registered office of the company is situated and circulating in that district and at least once in English in an English Newspaper within seven days from the date of receipt of certified copy of the order of the Tribunal.

(4) Within thirty days of the passing of the order appointing the company administrator, the company administrator shall file a certified copy of the order with the Registrar of Companies having jurisdiction over the registered office of the sick company.

(5) The sick company shall call a meeting of Board of Directors within seven days of appointment of the company administrator to depute officer or officers to provide all assistance that the company administrator may require.

(6) The Tribunal shall determine the fee payable to the company administrator which shall be borne by the applicant; where there are two or more applicants, by all of them in such proportion as the Tribunal may direct.

(7) The company administrator shall be entitled to reimbursement of all costs, charges and expenses incurred by him subject to sanction by the Tribunal and shall be entitled to an advance on costs.

(8) The company administrator shall have the following powers:

(i) to have an office at the registered office of the sick company;

(ii) to visit all offices, branches, divisions, factories, godowns, and such other places where the affairs of the sick company are being or have been carried out as ascertained from the records of the sick company;

(iii) to access all information and inspect all books and papers, books of account, registers and records of the sick company at all places where the sick company has offices, branches, divisions, factories, godowns, and such other places where the affairs of the sick company are being or have been carried out as ascertained from the records of the sick company;

(iv) to issue notices to any director, secretary, officer, manager, creditor, debtor and call for any information or explanation as he may need for carrying out his duties;

(v) to obtain from any authority of the Central Government or any State Government or quasi-government or court or Tribunal or any other judicial forum copy of any record, return, document, plaint, pleading, or any other paper which in his opinion may assist him in effective performance of his duties;

(vi) to appoint experts with the approval of the Tribunal for the purpose of ascertaining the measures that are necessary to be taken for the revival and rehabilitation of the sick company, cost whereof shall be paid by the applicant;

(vii) to apply to the executive magistrate of the district for any protection that may be required for safeguarding himself and his assistants and assets and properties, books and records of the sick company;

(viii) to apply for extension of time for anything to be done under these rules within a stipulated time.

Databank of interim administrators/company administrators

19.7 (1) For the purposes of sub-section (1) of section 259, a databank shall be maintained by the Central Government or any institute or agency authorized by the Central Government by an order consisting of the names of company secretaries in practice, chartered accountants in practice, cost accountants in practice and such other professionals as may be approved by the Central Government.

(2) No person shall be included in the databank aforesaid, unless he has:

(i) proven ability, integrity and standing having special knowledge or experience in matters related to revival and rehabilitation of sick companies or insolvency for at least ten years;

(ii) total receipts, from rendering of professional services, not less than fifteen lakh rupees in each of the previous three years according to the audited financial statements;

(iii) free from any professional or other mis-conduct, past and present, committed under the respective statute under which he is governed;

(iv) met the fit and proper person criteria specified by the Central Government from time to time.

Sanction of scheme.

19.8 (1) For the purposes of sub-section (2) of section 262, the company administrator shall issue a notice in **Form O** calling separate meetings of secured and unsecured creditors within sixty days of his appointment and place the scheme for their approval. The Tribunal may extend the time for approval of the scheme of

revival upto a period of not exceeding one hundred and twenty days from the date of the appointment of company administrator.

(2) Where the scheme relates to amalgamation of the sick company with any other company, such scheme shall require the approval of the shareholders of the both the companies in terms of the proviso under sub-section (2) of section 262.

(3) The notices of such meetings of creditors and shareholders shall be published at least once in a vernacular newspaper in the principal vernacular of the district in which the registered office of the company is situated and circulating in that district and at least once in an English daily within twenty one clear days prior to the date fixed for the respective meetings.

(4) Every creditor shall be entitled to be present in person or through an authorized representative and the creditor shall submit the form of authorization or power of attorney not less than forty eight hours in advance intimating that the meeting will be attended by its authorized representative. The presence of an authorized representative of a creditor shall be deemed to be the presence of the creditor in person.

(5) In a shareholder meeting of a sick company, every shareholder shall be entitled to attend and vote in person or through a proxy.

(6) Meetings of creditors or shareholders shall be called and held only during working hours between 0900 Hrs to 1800 Hrs on any day that is not a National holiday.

(7) The quorum for such meetings of creditors shall be the presence in person or by proxy of creditors representing not less than three-fourth in value of the amount outstanding against the sick company,

in case of secured creditors and one-fourth in value in case of unsecured creditors or representing such other percentage of value of debts owned by the sick company to that respective class of creditors as may be ordered by the Tribunal and even the presence of single creditor of that class may be sufficient to form a valid quorum.

(8) The quorum for a meeting of shareholders of the sick company shall be the same as provided in section 103.

(9) The company administrator shall chair the meetings of creditors and shareholders of the sick company and regulate the meeting, as he thinks fit.

(10) Decisions in such meetings of secured and unsecured creditors shall be made by requisite majority of votes and value of debt owed by the sick company shall determine the number of votes of a particular creditor. The decision of the company administrator shall be final as regards the value of debt owed to a particular creditor by the sick company. Any accidental omission to consider, include or issue notice to one or more unsecured creditors shall not invalidate any action taken by the company administrator or as the case may be, by the creditors in good faith. However in case if omissions had resulted in an outcome which would not have been the outcome had the votes (based on value of debt) been recorded correctly application by creditors can be made for reconsideration.

(11) The company administrator shall make an application in **Form P** to the Tribunal for sanctioning the scheme.

(12) No application for sanctioning the scheme shall be filed before the Tribunal unless it is accompanied by the following:

(i) the fee prescribed in Anneuxre B;

(ii) a copy of the approved scheme of revival and rehabilitation duly certified by the company administrator;

(iii) a copy of the audited financial statements of the sick company for the financial year immediately preceding the date of the application;

(iv) any other document which the company administrator may consider necessary;

(v) a copy of the minutes of the meetings of creditors and shareholders, if any, that approved the scheme of revival and rehabilitation duly certified by the company administrator.

(13) The Tribunal shall post the matter for a hearing on any date within sixty days of the date of filing of the application. The company administrator shall advertise the date and time of hearing of the application by the Tribunal and also features of the draft scheme of revival and rehabilitation (in brief) in **Form Q** at least once in a vernacular newspaper in the principal vernacular of the district in which the registered office of the company is situated and circulating in that district and at least once in English in an English Daily within fifteen days prior to the date of hearing so fixed by the Tribunal.

(14) The Tribunal may make modifications in the scheme in pursuance of sub-section (3) of section 262.

(15) If the scheme has received the approval of the requisite majority of the creditors and also of the shareholders, if applicable, in accordance with sub-section (2) of section 262, the Tribunal may sanction the scheme with modifications, if any, in pursuance of sub-section (3) of section 262 and the order sanctioning the scheme shall be in **Form R.** A copy of the scheme duly bearing the seal of approval of the Tribunal shall be enclosed to the order.

(16) Within thirty days of the passing of the order sanctioning the scheme, the sick company or other companies involved in the scheme shall file a certified copy of the order with each Registrar of Companies having jurisdiction over the registered office of the respective companies.

(17) The company administrator shall preserve all the books and records of the sick company including all the notices, memos, vouchers, attendance slips, proxy forms, letters, correspondence, payments received, payment made, particulars of bank account operated, bank statements, reconciliation statements, valuation reports, title deeds, copies of public notices issued, and all other papers unless otherwise ordered to be disposed of by the Tribunal. He will hand over the records to the company or the liquidator, as the case may be, before demitting the office.

(18) On the application of any secured creditor, the sick company or the transferee company, where the scheme of revival and rehabilitation involves amalgamation, if the Tribunal is satisfied that the conduct of the company administrator was not fair and reasonable in the facts and circumstances obtained at that time when such question had arisen, it may, by order, terminate the

office of the company administrator and appoint in his place another person and give such company administrator such time as may be necessary for meeting the objectives of the Act.

(19) Where the company administrator has not been able to perform or has become incapable of performing his duties due to his health or death or any other reason, the Tribunal may on its own or on the application of any interested party, appoint another person in his place who shall take charge of all records and properties from the previous incumbent as far as may be possible and either commence his duties *de novo* or continue from the stage before his appointment upon such terms and directions as the Tribunal may impose or enforce, from time to time.

(20) The Tribunal may, while sanctioning a scheme of revival or rehabilitation, on its own or on an application of any person interested in the scheme, including an objector who is bound by the scheme despite his objections, made prior to the sanctioning of the scheme, direct the enforcement or modification or termination of any contract or agreement or any obligation pursuant to such contract or agreement entered into by the sick company with any other person and such enforcement or modification or termination shall be specified in its order sanctioning the scheme.

(21) The Tribunal may, while sanctioning a scheme of revival or rehabilitation, on its own or on an application of any person interested in the scheme, including an objector who is bound by the scheme despite his objections, made prior to the sanctioning of the scheme, direct the company administrator to continue to be in office until effective implementation of the scheme. His

remuneration and other terms and conditions for such continuance shall be determined by the Tribunal and specified in its order sanctioning the scheme.

Implementation of the scheme

19.9 For the purposes of sub-section (4) of section 264, no such application shall be accepted unless it is made in **Form S** and is accompanied by **–**

(i) the fee prescribed in Annexure B;
(ii) a copy of the approved scheme of revival and rehabilitation duly certified by the company administrator;
(iii) a copy of the audited financial statements of the sick company for the financial year immediately preceding the date of the application;
(iv) any other document which the applicant may consider it necessary for proper adjudication of the matter;
(v) reasons for non-implementation of the sanctioned scheme or failure of the scheme;
(vi) modification as may be suggested or other relief, if any, sought from the Tribunal;

Winding up of company on report of company administrator.

19.10 For the purposes of sub-section (1) of section 265, where the scheme is not approved in the manner specified under sub-section

(2) of section 262, the company administrator shall submit a report to the Tribunal within fifteen days of the meeting concerned in **Form T.** Upon receipt of a report, after making such enquiries as it may deem fit, the Tribunal shall by order, direct the winding up of the sick company.

Rehabilitation and Insolvency Fund

19.11 (1) In pursuance of sub-section (4) of section 269, the Central Government shall appoint, including on deputation basis, a person, not below the rank of Director in the Central Government, as the Administrator to the Rehabilitation and Insolvency Fund (hereinafter referred to as 'the fund') on the following terms and conditions;

(i) the appointment of the administrator shall be notified in the Official Gazette;

(ii) the administrator shall hold office for a period of five years and the Central Government may re-appoint the same person as the administrator of the fund for a further period of not more than three years at one time;

(iii) any vacancy arising out of resignation, retirement, death of an administrator or for any other reason shall be filled by the Central Government as a fresh appointment;

(iv) the terms of the service of the Administrator shall be in accordance with the applicable rules of the Central Government or as may be approved by the Central Government;

(v) the Administrator shall be assisted by such number of officers and staff, appointed by the Central Government

either through deputation or on contract or permanently, as may be considered necessary by the Central Government in accordance with the Central Government policies, rules and regulations.

(2) The Administrator shall manage the fund and perform such other functions related to the management of the fund as may be assigned by the Central Government from time to time;

(3) The Administrator shall be responsible for the administration of the Fund established under sub-section (1) of section 269 for the purposes of carrying out the objects for which the Fund is established.

(4) For the purposes of crediting any amount as a deposit from any company under clause (b) of sub-section (2) of section 269, challan in **Form U** shall be used and payment as specified therein shall be made directly to the account styled as Rehabilitation and Insolvency Fund maintained by Central Government in designated branches of State Bank of India or any other nationalised bank and such remittance may be made from any branch of any bank through electronic payment facility.

(5) For the purpose of crediting any amount to the Fund from any other source under clause (c) of sub-section (2) of section 269, challan in **Form V** shall be used and payment as specified therein shall be made directly to the account styled as Rehabilitation and Insolvency Fund maintained by Central Government as per designated bank/branches as specified in sub-rule (4) above.

(6) For the purpose of withdrawing any amount under sub-section (3) of section 269 out of any amount already deposited by any company under clause (b) of sub-section (2) of section 269, an application in **Form AA** may be made by any person authorized

to do so by the Tribunal and no such withdrawal shall be allowed unless the company has been declared as a sick company and in respect of which an interim administrator or company administrator has been appointed or an order for winding up of the company has been made in pursuance of Chapter XIX or XX of the Act . No fee shall be payable for this application. The Tribunal shall consider such applications as expeditiously as may be possible but in any case an application shall be disposed of within twenty-one days of the making of such application.

(7) The Administrator shall ensure maintenance of separate and proper accounts and other relevant records in relation to the Fund giving therein the details of all receipts to and, expenditure and refund from, the Fund and other relevant particulars (company-wise) for proper administration of the Fund.

(8) The accounts of receipts in and payments from the fund shall be reconciled with the bank statements on monthly basis and any discrepancy shall be reported to the Central Government immediately on discovery of the discrepancy.

(9) The accounts shall be kept and maintained for a period at least eight years from the end of the financial year to which it relates.

(10) The Administrator shall cause to draw at the end of each Financial Year, a statement of total receipts from various sources indicated in sub section (2) of section 269 and total payments on expenditures as indicated in sub-section (3) of section 269.

(11) The Administrator shall have power to make investments of the Fund as and when considered necessary in the securities approved by the Central Government.

(12) The accounts of the fund shall be audited by the Comptroller and Auditor-General at such intervals as may be specified by him and such accounts as certified by the Comptroller and Auditor-General together with the audit report shall be forwarded annually to the Central Government by the Administrator and the Central Government shall place the same before the Parliament.

(13) Wherever the rules made for the purpose of appointment, functioning, and staffing of the Administrator or for maintenance of accounts and audit thereof, are silent, the relevant rules and regulations of the Central Government shall be applicable.

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