

## CHAPTER 4-B

## PART B \_\_RULES MADE BY THE STATE GOVERNMENT UNDER SECTION 57 OF THE PROVINCIAL INSOLVENCY ACT.

1. Every Official Receiver shall receive out of the Fund provided under sub-section (3) of section 57 of the Provincial Insolvency Act, 1920, or otherwise, the following remuneration inclusive of the Administration charges, such as rent for office or Warehouse, stationery, salary of office establishment, travelling allowance for journeys undertaken in the interest of insolvency work in general and other office contingency charges in respect of secured as well as unsecured debts :

Description	Percentage	Remarks
1	2	3
(a) On amount realized from the insolvents assets	8 <sup>3</sup> / <sub>4</sub> percent of the realisation up to Rs 5,000 per estate and beyond that 6 <sup>1</sup> / <sub>4</sub> per cent.	
(b) When on application, in writing to the Insolvency Judge by a creditor who holds as security any part of the insolvent's property, the Official Receiver has sold the property and realized security under a written order of the court, on the proceeds of sale.	8 <sup>3</sup> / <sub>4</sub> percent of the realisation up to Rs 5,000 per estate and beyond that 6 <sup>1</sup> / <sub>4</sub> per cent.	
(c) Where a compromise has been effected with the insolvent or settlement made among the creditors.	8 <sup>3</sup> / <sub>4</sub> percent of the total sum agreed to be paid to the creditors up to Rs 5,000 per estate and beyond that 6 <sup>1</sup> / <sub>4</sub> per cent.	
(d) Where the property is sold through the Official Receiver of another district where the property is situated.	5 <sup>1</sup> / <sub>2</sub> per cent of the sale-proceeds upto Rs 5,000 per estate and beyond that 4 <sup>1</sup> / <sub>4</sub> per cent.	
(e) Where the Official Receiver sells property which is subject of insolvency proceedings in another district.	3 <sup>1</sup> / <sub>4</sub> per cent of the sale-proceeds upto Rs 5,000 and beyond that 2 per cent.	

1	2	3
(f) Where the property of the Insolvent is sold through the Nazarat Staff..	6¾ per cent of the sale-proceeds upto Rs 5,000 per estate and beyond that 4¼ per cent.	
<i>Note.</i> - Two per cent of the sale proceeds shall be credited to Government under the head "XVII-Administration of Justice Misc. Fees and Fines-Insolvency Courts Receipts."		
(g) Where the property is sold through a Court of another State where the property is situate.	5½ per cent of the sale-proceeds upto Rs 5,000 per estate and beyond that 4¼ per cent.	
(h) Where the Official Receiver sells property of an insolvent adjudicated in another State.	3¼ per cent of the sale-proceeds upto Rs 5,000 and beyond that 2 per cent.	
(i) Where the order of adjudication is set aside before the Official Receiver has made any realization.	1 per cent of the estimated value of the property.	
(j) Where the Official Receiver is an <i>ad interim</i> Receiver prior to adjudication in Insolvency proceedings.	1 per cent of the estimated value of the property.	
(k) In the case of money received by the Official Receiver from the Nazir on account of sales held through Court prior to adjudication.	5½ per cent of the amount received up to Rs. 5,000 and beyond that 3 per cent.	

Provided that in all cases except those mentioned in items (e), (h), (i) and (j) half the amount of remuneration may not be paid to the Official Receiver until the assets are distributed.

2. In the case of property mortgaged to a creditor commission should be charged on the entire sale-proceeds only if the creditor makes a written application for the realization of the security through the Court irrespective of the fact whether the purchase money exceeds the mortgage money or not. In cases in which such property is sold without an application by the secured creditor, the

Commission on sale of property subject to mortgage.

commission should be charged on the sale-proceeds less the amount involved by the encumbrance.

*Note.*—The Official Receiver must not delay the disposal of property till such time as he can induce the secured creditors to give their consent to the sale of their interest also in the property. It may be useful, of course, to obtain this consent and so to sell property free of all encumbrances but the matter must not be delayed too long. The Official Receiver is competent at all times to dispose of the equity of redemption which in fact is all that does vest in him.

Fund provided  
under section  
57 (3) of the  
Provincial In-  
solvency Act

3. All sums payable under clause (b) of sub-section (2) of section 56 of the Provincial Insolvency Act, 1920 in respect of the services of an Official Receiver shall be credited into the District Treasury or a Sub-Treasury in the name of the Insolvency Judge, under the head "Official Receiver's Remuneration Fund".