



**PLANNING AND ECONOMIC AFFAIRS  
(BPE) DEPARTMENT**

**No. 11420/BPE-2/89/Plg., Trivandrum,  
dated 22<sup>nd</sup> June 1989**

**CIRCULAR**

*Subt.* - Appointment of first Auditors of Government Companies.

The Companies Act, 1956 stipulates that the appointments of first auditor (s) of Government Companies have to be made within one month of their incorporation by the Company Law Board in consultation with the Comptroller and Auditor General of India. In order to enable Company Law Board to comply with the provisions of the Act, the Board had already issued circulars requiring to give details of newly formed Government Companies to them with copy to Comptroller and Auditor General on incorporation of New Government Companies. Comptroller and Auditor General has now observed that the directives are not seen scrupulously and appointment of Auditors are made violating the provisions of Companies Act.

In order to avoid such a situation in future, you are directed to ensure that whenever a new Government Company is incorporated under the administrative control of your department, the under mentioned details relating to that company is arranged to be furnished immediately to the Company Law Board with simultaneous intimation to Comptroller and Auditor General of India, New Delhi and Accountant General (Audit), Kerala, Trivandrum

1. Name of the Company.
2. Location and address of the registered office.
3. Capital structure.
4. Period of financial year.
5. In the case of public limited company, the date on which the company becomes entitled to commence business and the certificate of "Commencement of Business is granted."

**S. NARAYANASWAMY**  
*Chief Secretary*