



GOVERNMENT OF KERALA

Planning & Economic Affairs (BPE) Dept.

No.1334/BPE2/06/Plg.

**Thiruvananthapuram,
Dated, 27/02/2006.**

CIRCULAR

Sub: Delay in placement of Annual Reports of Govt. Companies before the State Legislature – Instructions issued.

Ref: Lr. No. Rep.(Comml)/DP 26/AR 2004-05/258 dated 4/7/2005 from the Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

As per Section 619 A(3) of the Companies Act 1956 where State Government is a member of a Company the State Government shall cause an annual report on the working and affairs of the Company along with audit report and comments of supplement of the Comptroller and Auditor General of India to be placed before State Legislature within three months from the date of Annual General Meeting on which the accounts have been adopted. The annual report consists of important performance review reports statements namely report by Board of Directors on the working of the Company as required in Section 217 of the Companies Act 1956 annual financial statements for the year and auditors report thereon with comments supplementary report of Comptroller and Auditor General of India. The placing of the annual report before State Legislature gives it an opportunity to have important information regarding the performance of the Government company in which the state Government is the major share holder.

The Accountant General, in his letter cited has reported that the annual reports of most of the Companies have either been not placed or placed belatedly mainly due to (a) delay in conducting AGM consequent to delayed

finalisation of accounts (b) delay in placing the report even after conducting AGM.

In its 6th report dated 3, February 2004 the Committee on Papers laid before the Table (2001- 04) has noted that there was a serious lapse on 'the part of administrative departments' in ensuring timely presentation of Annual Reports to Legislature.

In the circumstances the Chief Executives of all Public Sector Undertakings are requested to furnish Annual Reports before the State Legislature in time without any delay.

The Government Directors in the Boards of the undertakings should ensure that the above instruction is strictly adhered to by the Public Sector Undertakings.

T.Balakrishnan,
Principal Secretary to Government

To

The All Chief Executives of all Public Sector Undertakings,
All Administrative Departments of the Secretariat including Finance
The Finance (PU – A/B) Department,
The P.A. to Secretary (BPE)./Stock file.