

28 .01.2004

To All Secretaries to Ministries,  
and Chairmen of Public Corporations, Statutory Boards and  
Government Owned Companies.

**Suspension of recruitments to the Public Service, Provincial Public Services including Local Authorities, Public Corporations, Statutory Boards and Government Owned Companies and abolition of existing vacant posts in such organisations**

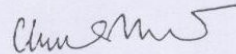
I wish to draw your attention to Management Services Circular Nos. 16 and 16 (I) dated 01.10.2002 and 24.10.2002, respectively, on the above subject, whereby all recruitments to all public sector institutions including Statutory Boards and Government Owned Companies, whether on permanent, temporary, casual, substitute, contract or any other basis were suspended and it was directed that filling of any vital vacancies should be undertaken only with my concurrence.

02. It has been brought to my notice that recruitments are being made to posts in subsidiary companies of certain organizations without obtaining prior approval as required by the above circulars.

03. In this connection you are kindly advised to bring the following matters to the notice of all those concerned in the organizations under your purview.

- i. The provision in the Management Services Circular Nos. 16 and 16 (I) should be strictly followed in making recruitments and that it is the responsibility of the respective Boards of Management of parent companies to ensure that subsidiary companies do adhere to the directives given in the Treasury Circulars.
- ii. There should be no recruitment to any of the posts in an agency and /or any of its subsidiaries, which has fallen vacant consequent to implementation of a Voluntary Retirement Scheme(VRS).
- iii. All subsidiaries under corporations should refrain from making new recruitments even if they are backed by self generated funds to meet such cost of employment.

04. Please note that any deviation from or non compliance with the above instructions/guidelines will be brought to the notice of the Committee on Public Enterprises (COPE) for action as deemed appropriate by such Committee.



J Charitha Ratwatte,  
Secretary to the Treasury and  
Secretary, Ministry of Finance.