

29, April 2011

Public Enterprises Circular No.: PED 58

All Secretaries to the Ministries  
Chairmen of Commercial Corporations, Statutory Boards and  
State Owned Companies including State Banks

### **Categorization of State Owned Enterprises and Payment of Allowances to Board of Directors**

State Owned Enterprises (SOEs) vary in terms of size of operations, Government investment, total assets, number of employees and their business complexity etc. Based on the source of financing and the type of operations, SOEs are classified into two major categories.

#### **1.1 State Owned Commercial Enterprises (SOCEs)**

An enterprise incorporated by an Act of Parliament or under the Companies Act, owned and controlled by the Government that generates its income from commercial operations opposed to generating income through Government budgetary allocations is deemed to be a State Owned Commercial Enterprise.

#### **1.2 State Owned Non-Commercial Enterprises (SONCEs)**

An enterprise incorporated by an Act of Parliament, owned and controlled by the Government and executes a statutory function without the main purpose of earning profit is deemed to be a State Owned Non-Commercial Enterprise. This category includes statutory boards, regulatory bodies, research organizations, universities and affiliated institutions. SONCEs that earn sufficient funds for their operational activities are classified as Self Funded - SONCEs and SONCEs that operate largely within Government budgetary provisions are classified as Budgetary Funded SONCEs.

To exercise proper supervision and monitoring role, Department of Public Enterprises (PED) has classified the SOCEs and Self Funded - SONCEs into five sub- categories.

1. Category A: State Owned Enterprises
2. Category B: State Owned Enterprises
3. Category C: State Owned Enterprises
4. Category D: State Owned Enterprises
5. Category E: Regulatory Agencies

Please refer the list of SOEs classified under each category in the Attachment.

### **2. Allowances/Fees payable to Board of Directors of SOEs**

Monthly allowances payable to Chairmen/ Executive Directors/ Working Directors and fees payable per sitting to Non Executive Directors/ Observers for attending Board Meetings/ Audit and Management Committee Meetings of SOEs have been revised as indicated in table 1.

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Table 1 : Allowances/Fees payable to Board of Directors of SOEs

Category	Description of the Category	Monthly Allowance (Rs.)		Fees per Sitting (Rs.)
		Chairman	Executive Director/ Working Director	Non Executive Directors/ Observers
A	SOCEs and Self funded - SONCEs	90,000	70,000	10,000
B		70,000	55,000	7,500
C		60,000	45,000	6,000
D		50,000	40,000	5,000
SONCEs	Budgetary Funded	50,000	40,000	4,000
	Universities and Affiliated Institutions	As approved by the appropriate authority		4,000
E	Regulatory Agencies	75,000	60,000	7,500

- 2.1 A Chairman who holds office as the Chairman of more than one SOE is entitled for full allowance of one SOE and 50% of Chairman's allowance for any one of the other SOE.
- 2.2 Where the enabling Act requires a public officer to function as Chairman / Executive Director of a particular institution, such public officer may be paid 50% of the allowance payable to the Chairman / Executive Director of such SOE.
- 2.3 A person who acts for the Chairman is entitled for an acting allowance of 50% of Chairman's allowance for the period he/she works. Acting allowance is payable only if the acting period exceeds 01 month.
- 2.4 The fees payable to Non Executive Directors and Observers for attending Board Meetings or Audit and Management Committee Meetings are subject to maximum of two Board Meetings and one Audit and Management Committee Meeting per month.
- 2.5 The Chairman, Working Directors and Executive Directors who are drawing monthly allowances should not be entitled to receive the sitting allowance for attending Board meetings.
- 2.6 Transport facility to attend the Board/ Audit and Management Committee meetings should be provided to Non-Executives and Observers only. Alternatively, Board may decide either to reimburse the transport expenses or to pay a transport allowance on a reasonable basis.
- 2.7 Clause 1.6 and 8.3.2 of the Public Enterprise Guidelines for Good Governance issued on 30<sup>th</sup> May 2003 by the Department of Public Enterprises and Circular PED 4 issued on 1<sup>st</sup> January 2003 and any other direction issued by the Ministry of Finance and Planning on this regard are hereby revoked.

**Effective date of this circular will be on 1<sup>st</sup> May 2011.**

For any clarification in this regard you may contact Mr. A. K. Senevirathne (Telephone No. 2484669) Additional Director General, Department of National Budget or Mrs. A.R. Wickramasinghe, Senior Manager, Department of Public Enterprises (Telephone No. 2484997).

P. B. Jayasundera  
Secretary to the Treasury

- cc: 1. Secretary to the President  
2. Auditor General

## State Owned Commercial / Non-Commercial - Self Funded Enterprises

## Category A: State Owned Enterprises

1	Ceylon Petroleum Corporation (CPC)	6	Sri Lanka Ports Authority (SLPA)
2	Ceylon Electricity Board (CEB)	7	Sri Lanka Insurance Corporation (SLIC)
3	National Savings Bank (NSB)	8	Board of Investments (BOI)
4	People's Bank (PB)	9	Airport and Aviations Services (Sri Lanka) Ltd. (AASL)
5	Bank of Ceylon (BOC)		

## Category B: State Owned Enterprises

1	Sri Lanka Transport Board (SLTB)	19	Sri Lanka Land Reclamation & Development Corp. (SLRDC)
2	National Water Supply and Drainage Board (NWSDB)	20	Independent Television Network (ITN)
3	State Pharmaceuticals Corporation (SPC)	21	Lanka Mineral Sands Ltd
4	National Lotteries Board (NLB)	22	State Pharmaceuticals Manufacturing Corporation (SPMC)
5	Regional Development Bank (RDB)	23	Urban Development Authority (UDA)
6	Central Engineering Consultancy Bureau (CECB)	24	Kurunegala Plantations Ltd.
7	National Insurance Trust Fund (NITF)	25	Chilaw Plantations Ltd.
8	Development Lotteries Board (DLB)	26	SL Export Credit Insurance Corporation
9	Lanka Sathosa Ltd. (Laksathosa)	27	Sri Lanka Bureau of Foreign Employment
10	Milk Industries of Company Ltd. (MILCO)	28	Public Utilities Commission of Sri Lanka (PUSL)
11	State Engineering Corporation	29	Sri Lanka Accounting & Auditing Standards Monitoring Board
12	State Timber Corporation	30	Sri Lanka Tourism Development Authority
13	Employees Trust Fund Board (ETF)	31	Sri Lanka Tea Board
14	Housing Development Finance Corporation Bank of SL (HDFC)	32	Civil Aviation Authority
15	State Mortgage & Investment Bank (SMIB)	33	National Gem & Jewellery Authority
16	Mihin Lanka (Pvt) Ltd.	34	National Institute of Business Management
17	State Development and Construction Corporation (SD&CC)		
18	Ceylon Fertilizer Company Ltd		

## Category C: State Owned Enterprises

1	Information & Communication Tech. Agency of Sri Lanka Ltd	21	Lanka Phosphate Ltd.
2	Ceylon Fisheries Corporation	22	Elkaduwa Plantations Ltd.
3	National Livestock Development Board (NLDB)	23	Paranthan Chemicals Co. Ltd
4	Colombo Commercial Fertilizer Co.	24	Lanka Logistics (Pvt) Ltd.
5	Janatha Estates Development Board (JEDB)	25	National Transport Medical Institute
6	State Printing Corporation	26	Sri Lanka Handicrafts Board
7	Lankaputhra Development Bank	27	Sri Lanka Ayurvedic Drugs Corporation
8	Ceylon Shipping Corporation	28	Sri Lanka Cashew Corporation
9	Sri Jayewardenepura General Hospital	29	Lady Lochore Loan Fund
10	Sri Lanka Rupavahini Corporation	30	Distance Learning Centre
11	Paddy Marketing Board	31	Mantai Salt Ltd.
12	Agricultural and Agrarian Insurance Board	32	Kahatagaha Graphite Lanka Ltd
13	Sri Lanka State Plantations Corp (SLSPC)	33	Geological Survey & Mines Bureau
14	Sri Lanka Broadcasting Corporation (SLBC)	34	Land Reform Commission
15	National Development Trust Fund (NDTF)	35	Sugar Cane Research Institute
16	Local Loans & Development Fund (LLDF)	36	Condominium Management Authority
17	Kalubovitiyana Tea Factory Ltd.	37	Sri Lanka Convention Bureau
18	Sri Lanka Savings Bank Ltd.	38	Sri Lanka Institute of Tourism & Hotel Management
19	STC General Trading Company Ltd.	39	Land Survey Councils
20	Rakna Arakshana Lanka Ltd.	40	Post Graduate Institute of Management (PIM)

## Category D: State Owned Enterprises

1	Tea Shakthi Fund	16	Sri Lanka Thripasha Co. Ltd
2	Ceylon Fishery Harbour Corporation	17	Building Materials Corporation
3	Sri Lanka Carbon Fund Ltd.	18	B.C.C. Lanka Ltd
4	Corporative Wholesale Establishment (CWE)	19	Lakdiva Engineering Co Ltd
5	Cey-Nor Foundation Ltd	20	Ceylon Ceramics Corporation
6	Osu Govi Company Ltd.	21	Lanka Cement Company Limited
7	National Equipment & Machinery Organization	22	Sri Lanka Cement Corporation
8	Selasene Rupavahini	23	North Sea Ltd.
9	Sri Lanka Rubber Manufacturing & Export Corporation	24	National Paper Corporation
10	State Trading Cooperative Wholesale Co Ltd.	25	Janatha Fertilizer Enterprises Ltd
11	National Film Corporation	26	Hingurana Sugar Industries Ltd
12	Thurusaviya Fund	27	Kanthale Sugar Company Ltd
13	Palmyrah Development Board	28	Lanka Fabrics Ltd
14	Skills Development Fund	29	Lanka Salusala Ltd
15	POLIPTO Lanka Pvt. Ltd	30	Lanka Leyland Ltd

## Category E: Regulatory Agencies

1	Securities & Exchange Commission of Sri Lanka (SEC)	3	Insurance Board of Sri Lanka (IBSL)
2	Telecommunication Regulatory Commission of Sri Lanka (TRC)		

**State Owned Non-Commercial Enterprises - Budgetary Funded**

1	Hadabima Authority of Sri Lanka
2	Samurdhi Authority of Sri Lanka
3	Arthur C Clarke Institute for Modern Technology
4	Atomic Energy Authority
5	Ayurvedic Medical Council
6	Buddhasrawake Bhikku University
7	Buddhist & Pali University
8	Central Cultural Fund
9	Central Environmental Authority
10	Ceylon-German Technical Training Institute
11	Coconut Cultivation Board
12	Coconut Development Authority
13	Coconut Research Board
14	Colombo School of Computing
15	Consumer Affairs Authority
16	Eastern University
17	Export Development Board
18	Gampaha Wickramarachchi Ayurveda University
19	Gem & Jewellery Research & Training Institute
20	Hector Kobbekaduwa Agrarian Research & Training Institute
21	Homeopathy Medical Council
22	Industrial Development Board
23	Industrial Technology Institute
24	Institute of Fundamental Studies
25	Institute of Human Resource Advancement
26	Institute of Bio Chemicals Molecular Biology and Biotechnology
27	Institute of Construction Training & Development (ICTAD)
28	Institute of Indigenous Medicine
29	Institute of Policy Studies
30	Official Languages Commission
31	Open University of Sri Lanka
32	Post Graduate Institute of Pali & Buddhist
33	Post Graduate Institute of Agriculture
34	Post Graduate Institute of Archeology
35	Post Graduate Institute of English
36	Post Graduate Institute of Medicine
37	Post Graduate Institute of Science
38	Post Harvest Technology Institute
39	Rajarata University
40	Ranaviruseva Authority
41	Rehabilitation of Persons, Property & Ind Authority
42	Resettlement Authority
43	Road Development Authority
44	Rubber Research Board
45	SL Book Development Council
46	SL Council for Agriculture Research Policy
47	SL Freedom from Hunger Campaign Board
48	SL Press Council
49	Sabaragamuwa University
50	Sir John Kotalawala Defence Academy
51	SL Institute of Local Governance
52	SL Vocational Training Authority
53	SL Institute of Development Administration
54	Social Security Board
55	South Eastern University
56	Southern Development Authority of Sri Lanka
57	Sri Lanka Accreditation Board of Conformity Assessment
58	Sri Lanka Foundation Institute
59	Institute of Technology
60	Mahaweli Authority of Sri Lanka

61	Marine Environment Protection Authority
62	National Apprenticeship & Industrial Training Authority
63	National Aquaculture Development Authority (NAQDA)
64	National Aquatic Resources Research Dev. Agency (NARA)
65	National Building Research Organization
66	National Center for Advance Studies
67	National Child Protection Authority
68	National Crafts Council
69	National Dangerous Drug Control Board
70	National Design Centre
71	National Engineering Research & Development Centre
72	National Enterprise Development Authority
73	National Housing Development Authority
74	National Human Resources Development Council
75	National Institute of Fisheries & Nautical Engineering
76	National Institute of Education
77	National Institute of Plantation Management
78	National Institute of Technical Education of Sri Lanka
79	National Institute of Corporative Development
80	National Institute of Language Education & Training
81	National institute of Social Development
82	National Institute of Library & Information Science
83	National Library & Documentation Service Board
84	National Science & Technology Commission
85	National Science Foundation
86	National Secretariat for Disabilities
87	National Secretariat for Elders
88	National Transport Commission
89	National Youth Services Council
90	Sri Lanka Inventors Commission
91	Sri Lanka Standards Institution
92	Sri Lanka Sustainable Energy Authority
93	Sugathadasa National Sports Services Complex Authority
94	Superior Courts Complex Board
95	Swami Vipulananda Institute of Aesthetic Studies
96	Tea Research Institute of Sri Lanka
97	Tea Small Holder Development Authority
98	Tertiary & Vocational Education Commission
99	Textile Quota Board
100	Tower Hall Theatre Foundation
101	Udarata Development Authority
102	University Grant Commission
103	University of Ruhuna
104	University of Visual & Performing Arts
105	University of Colombo
106	University of Jaffna
107	University of Kelaniya
108	University of Moratuwa
109	University of Peradeniya
110	University of Sri Jayewardenepura
111	Uva Wellassa University
112	Water Resources Board
113	Wayamba University of Sri Lanka
114	Wijaya Kumaratunga Memorial Hospital
115	Sri Lanka Institute of Information Technology (Guarantee) LTD
116	Sri Lanka Textile Training Institute
117	Sri Lanka Institute of Advanced Technological Education
118	University of Vocational Technology