



Public Enterprises Circular No.PED 04

My No.PE/Gen/01  
Department of Public Enterprises  
General Treasury,  
Colombo 01.

01.01.2003

To: All Secretaries  
Chairmen of all Commercial Corporations, Statutory Boards  
and Government Owned Companies

**MONTHLY ALLOWANCES PAYABLE TO CHAIRMEN, EXECUTIVE DIRECTORS OF COMMERCIAL CORPORATIONS, STATUTORY BOARDS AND GOVERNMENT OWNED COMPANIES AND FEES PAYABLE TO NON-EXECUTIVE DIRECTORS FOR ATTENDING BOARD MEETING**

Monthly allowances/fees payable to Chairmen and Executive Directors of Commercial Corporations, Statutory Boards and Government Owned Corporations are revised with effect from 01.01.2003 as follows.

<u>Public Enterprises</u> <u>Category</u>	<u>Chairman</u>	<u>Executive Director</u>
A	40,000	30,000
B	35,000	25,000
C	30,000	20,000

02. Since the Chairmen and Executive Directors of Public Enterprises are not employees of the enterprises, the monthly allowances payable are not subject to EPF and ETF contributions. They are also not entitled to any gratuity payments.

03. Fees for attending Board Meetings or Audit and Management Committee meetings for non executive directors would be as specified in the Public Finance Circular No.PF/PE/21 dated 24.05.2002 as follows:

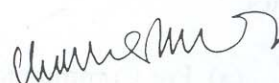
- (a) Commercial Corporations and Government Owned Companies - Rs.1500
- (b) Statutory Boards - Rs.1000

04. The Criteria to decide the category of a public enterprise stated in para 1 above are as follows:

- (a) For Commercial Corporations and Government Owned Companies, in terms of the latest three year audited accounts,
  - (i) if the three year average of total revenue for the year is greater than Rs.1,000 million and three year average of total assets (net book value of total non current assets + total current assets) as at end of the year is greater than Rs.1,000 million and the three year average of total number of employees as at end of the year is greater than 1,000 the enterprise would be graded as Category "A".



- (ii) if the three year average of total revenue for the year is less than Rs.500 million and three year average of total assets (net book value of total non current assets + total current assets) as at end of the year is less than Rs.500 million and the three year average of total number of employees as at end of the year is less than 500 the enterprise would be graded as Category "C".
- (iii) all other enterprises would be graded as category "B".
- (b) For Statutory Boards (excluding Universities and Post Graduate Institutes), in terms of the latest three year audited accounts,
- (i) if the three year average of total revenue for the year (Govt. Grants, both Recurrent plus Capital + Own Revenue) is greater than Rs.500 million and three year average of total assets (net book value of total non current assets + total current assets) as at end of the year is greater than Rs.500 million and the three year average of total number of employees as at end of the year is greater than 500 the enterprise would be graded as Category "A"
- (ii) if the three year average of total revenue for the year (Govt. Grants, both Recurrent plus Capital + Own Revenue) is less than Rs.250 million and the three year average of total assets ( net book value of total non current assets + total current assets) as at end of the year is less than Rs.250 million and the three year average of total number of employees as at end of the year is less than 250 the enterprise would be graded as Category "C".
- (iii) all other enterprises would be graded as category "B".
05. The enterprise concerned should decide on the category to which they belong to using the above criteria on the basis of values in the audited accounts of the latest three years. The Chief Finance Officer/Chief Executive Officer should prepare a board paper in this regard and the board decision about the category of the enterprise should be intimated to the Line Ministry, Department of Public Enterprises and the Auditor General. Any future changes in category could also be made based on the criteria above and intimated to the agencies stated above.
06. No deviation should be permitted without specific approval from the Treasury.
07. All previous circulars on this subject are hereby withdrawn.

  
J. Charitha Ratwatte.  
Secretary to the Treasury.

