Elkaduwa Plantations Limited - 2018

1.1 Adverse Opinion

The audit of the financial statements of the Elkaduwa Plantations Limited for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, because of the significance of the matters discussed in the basis for Adverse Opinion section of my report, the accompanying financial statements do not give a true and fair view of the financial position of the Company as at 31 December 2018 , and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in Paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company.

1.4 Auditor's Responsibilities for the Audit of the Financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Company, and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Company has complied with applicable written law, or other general or special directions issued by the governing body of the Company;
- Whether the Company has performed according to its powers, functions and duties; and
- Whether the resources of the Company had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Comments on Financial Statements

1.5.1 Non-compliance with Sri Lanka Accounting Standards

	Non-compliance	Comments of the Management	Recommendation
(a)	Although assets should be depreciated at the ready for use in accordance with Sri Lanka Accounting Standards 16, since the assets were purchased during the year under review valued at Rs. 2,736,018, were not depreciated, the depreciation expense for the year under review amounted to Rs. 543,147 had been understated. Similarly, the fully depreciated and currently used vehicles cost at Rs. 22,109,920 had not been revalued and taken into accounts in accordance with Paragraph 51 of the Standard,.	The depreciation policy of the Company is set with a different depreciation policy to the Sri Lanka Accounting Standard No. 16 and depreciation is carried out under following a uniform policy (Consistency Concept) by the Company. Due to the existing financial crisis of the Company, financial revaluation is not economical for the Company under the prevailing financial position, the assets are carrying out at historical cost.	Actions should be taken for the depreciation of the fixed assets and revaluation of assets in accordance with the provisions of the Standard.
(b)	Although the agricultural products should be computed at fair value after deducting expenses for sales in accordance with Paragraph 13 of Sri Lanka Accounting Standards 41, a number of 165,023 coconuts and the aggregate 4,010 kg of agro products such as cocoa, clove, coffee, copra and scrap- rubber as at 31 December of the year under review had not been taken in to accounts at fair value.	Accepted the disclosure made by the auditor and adjustments will be made in the next financial year.	Actions should be taken to value the agricultural products at fair value in accordance with the Standard and to be accounted for.

1.5.2 Accounting Policies

The following observations are made.

	Audit Observation	Comments of the Management	Recommendation
(a)	Although amortization adjustments had been made in the financial statements by the affiliates of the tea industry considering the maturity period of a tea tree to be four years , as a result of the Company had not followed an accounting policy, the Tea re-plantations cost at Rs. 64,569,065 commenced from 1998 to 2014 and in the establishment of the Company in 1993 the Rs.87,740,383 immature crops that were vested from State Plantation Corporation of Sri Lanka, were not identified and accounted for as mature plantations.	As a result of the prevailing climate, working capital shortage, due to the lack of proper maintenance of crops the transfer of company's tea, coconut, rubber and other agricultural crops to the mature crop item, the established standards in the industry are not used and only those crops that can be physically inspected and identified as mature, recognized as mature crops. It is informed that actions will be taken to include this policy in the Accounting Policies.	An accounting policy should be formulated to identify mature assets.

1.5.3 Accounting Deficiencies

The following observations are made.

	Audit Observation	Comments of the Management	Recommendation
(a)	Out of the Rs. 59,307,500 received from the tourism projects of Sembuwaththa Wewa, as a result of recording a sum of Rs. 14,826,875 paid to the Estate Housing Co-operative Society as an income, the revenue for the year under review had been overstated by that value.	The total revenue for Sembuwaththa Tourism 2018 are recorded in the Revenue Accounts and the contributions of the other shareholders were credited to the Estate through the estate account of the Elkaduwa Estate and although there is no account in the ledger as	The contribution made to the Estate Housing Co-operative Society should be taken in to accounts as an expense of the Company.

		the expenses of the tourism project, it has been taken in to accounts through the estate account under the payable to other parties. If it is inadequate, it is informed that actions will be taken to disclose through a separate account.	
(b)	As a result of the cost of Rs. 549,913 incurred to renovate the Selagama Estate Superintendent's Bungalow during the year under review was recorded as trade debtors, that balance had been overstated.	This is an omission error. The disclosure by the auditor is accepted and is an expense to be identified under work in progress.	It should be taken in to accounts as an expenditure or asset depending on the nature of the repair cost.
(c)	As a result of the value of the timber cultivation amounting to Rs.57,475,642 included in the value of bearer biological assets amounted to Rs. 418,246,033 as at 31 December in the year under review, had not been removed from these assets and recorded as consumable biological assets, the value of the bearer had been overstated by that amount .	The Company's general policy in identifying consumable biological assets, is to identify the timber plants that are suitable for commercial harvesting. Previously, immature timber plantations were accounted for under the bearer live assets. Mature trees are transferred to consumer life assets after physical identification.	Consumable biological assets, and bearer biological assets should be taken in to accounts separately.
(d)	According to the estate accounts, as a result of the cost of rubber and coconut cultivation which had matured in the year 2017 amounted to Rs. 70,373,791 was recorded in the financial statements as mature cultivation in that year, due to not making amortization adjustments the expenses amounted to Rs. 2,185,509 for the year under review had been understated.	These crops were identified as mature crops in the year 2017 with respect to 31 December 2017. Accordingly, the adjustment will take place in the 2018. The depreciation was calculated based on that.	The amortization relevant to the cost of mature crops recognized by the Company should be made so that affect to the current year.
(e)	As a result of the cost incurred between 2007 and 2010 for laying the ground without cultivating tea plants amounted to Rs.4,222,549	The disclosure made by the auditor is accepted and it is informed that the unimplemented, left behind	The costs of assets which were not physically available should be written off

	was accounted for under mature crops, the immature tea cultivation costs as at 31 December of the year under review had been overstated by that value.	such uneconomic capitalization are to be written off with the approval of the Audit Committee, Board of Directors, Ministry and the Treasury.	from the accounts with the appropriate approvals.
(f)	Although the cost incurred for the immature cultivation by Nalanda Estate from 2004 to 2007 was Rs. 337,693 as the cost of removal of mature crops up to that year was Rs. 7,251,361, the immature cost of cultivation which should be on the last day of the year had been understated by a sum of Rs. 6,913,668 in the year under review.	Although this information is consisted in the Register of the Company for the identification of immature plantations in each Estates, it was impossible to determine the sources of information for the respective calculations.	Actions should be taken to identify the values that have been wrongly removed as mature crops and to correct the accounts.
(g)	Even though the depreciation and gratuity expenditure as per the comprehensive income statement for the year under review was Rs. 8,109,189 and Rs. 38,980,421 respectively, due to make adjustments of those expenditure in the cash flow statement as Rs. 6,813,113 and Rs. 31,148,508, the cash flow from operating activities had been overstated by a sum of Rs. 9,127,989.	Only the net depreciation adjustment in the financial statements amounted to Rs. 6,813,113.00 had been included in the cash flow statement. When calculating gratuity for the Estates, the general calculation method is being used during the year and at the end of the year the actuarial calculation method is being used and the difference between the two basis was stated in the final accounts. Only the net impact has been adjusted in the non-cash provisions to the cash flow statement.	The total impact of profit on non-cash items should be correctly stated as non-cash items in the cash flow statement.
(h)	Although the control accounts maintained to record transactions by the Head Office and each Estates should be set off by balances, as a result of there was a debit balance of Rs. 299,934,257 in control accounts maintained at the Head Office as at 31 December of the year under review and a debit balance of Rs.	The reasons for the difference between the accounts have been identified and the relevant corrections will be made in future.	Actions should be taken to recognize the difference between the balances in the control accounts and take action to correct the accounts.

	327,247,677, as per estate control accounts, a difference of Rs. 27,313,240 had remained between these accounts.		
(i)	Due to the addition of nurseries, firewood and other items to the final stock value amounted to Rs. 1,617,520 which was not physically available at end of the year under review, the profit and stock value for the year under review had been over computed .	It is informed that the value of the nursery which does not have a physical value will be written off with the approval of the Audit Committee, the Board of Directors, the Ministry and the Treasury.	Actions should be taken to write off physically unavailable stocks from accounts with the relevant approvals.
(j)	Even though the deferred tax liability as at end of the year under review was Rs. 37,356,930, the Company had stated it as deferred asset of Rs. 21,008,134 the profits for the year under, review had been overstated by a sum of Rs. 58,365,064.	The Company has calculated the deferred tax firstly and taken in to accounts in the year 2018. In this case, the deferred tax was calculated based on the net value of taxable items.	The deferred tax liability should be properly calculated and accounted for.

1.5.4 Unexplained Differences

Audit Observation	**Comments of the Management**	**Recommendation**
According to the statement of financial position prepared for the year ended 31 December although the values payable by the Company to Janatha Estate Development Board and the State Plantation Corporation were Rs. 1,185,670 and Rs. 1,768,749 respectively, as a result of those amounts stated as Rs. 8,723,922 and Rs. 1,743,955 respectively in the respective institutions , a difference of Rs. 7,538,252 and Rs. 24,794 was shown in the related values.	Accounts have been maintained as per written agreements between the Janatha Estate Development Board and the State Plantation Corporation. In some cases, employees of the Janatha Estate Development Board have worked at the Elkaduwa Company and the fees and subscriptions paid for it appear to be taken into accounts in the name of the Company. Since they are not written transactions and cannot be accounted	The necessary corrections should be made accordingly making correction in the balances by inquiring from the respective institutions .

		for, and this may have caused these changes. The relevant agencies have not inquired about this.	

1.5.5 Lack of Evidence for Audit

The observations are as follows.

	Audit Observation	Comments of the Management	Recommendation
(a)	The registers were not maintained to identify the relevant crops separately which were capitalized under the diversification of crops cost at Rs. 18,432,380 .	This includes the cost of other crops in addition to the main crops (tea, coconut, rubber, cocoa, pepper and timber). A value identifiable register is not maintained separately for this purpose.	Registers for crops should be maintained so as to identify the value of the cultivation, the relevant plantation, part of the estate, the cultivation and the annual cost incurred.
(b)	The list of relevant stakeholders relating to the deposits amounted to Rs. 1,191,552 included in the statement of financial performance prepared by 31 December of the year under review had not been submitted for audit.	Since the Company does not have specific information about the deposits mentioned in this account on when and in what institution is deposited, it is informed that actions will be taken to write off that balance with the approval of the Audit Committee ,Board of Directors, Ministry and the Treasury .	Actions should be taken to reveal the information related to the deposits and if not, arrangements should be made to write off from the accounts with the relevant approvals.
(c)	The required Register for Fixed Assets to ascertain the value of the property plant and equipment at a cost of Rs. 96,151,524 had not been maintained by the Company .	The Company does not own a specific register for assets and maintains a document with sufficient information to determine the value of the assets and to calculate the depreciation. The	The Register of Assets should be maintained in a timely manner so that the cost of the asset purchased or created can be identifiable.

		Company has to spend a sum of Rs. 6.6 million to prepare a register for assets and as it is not economical under the prevailing financial position the assets are maintained at historical cost.	
(d)	The confirmation letters to ascertain the 14 outstanding debtor balances valued at Rs. 88,583,376 and the 12 creditor balances amounting to Rs. 2,863,126 respectively were not submitted for audit.	All the balance confirmation letters requested by the auditor have been sent by registered mail to the respective institutions. There is nothing that can be done with regard to receiving the reply here and the most of these creditors and debtors were in relation with transactions over 03 years.	Arrangements should be made to receive the balance confirmation letters to the audit.

1.6 Accounts Receivable and Payable

1.6.1 Receivables

	Audit Observation	Comments of the Management	Recommendation
(a)	Actions had not been taken to recover trade and other account balances receivable for more than 03 years amounted to Rs. 87,385,616 in respect of transactions executed by the Company by the end of the year under review.	A sum of Rs, 44,280,216 has not been recovered due to lack of specific information, classification errors in accounting and legal action has been taken to recover a sum of Rs.30,809,180. Out of Rs. 12,296,220 receivable from the Estates a sum of Rs. 11 million is advance deposits related to	Actions should be taken to recover trade and other balances receivables.

		statutory payments and actions are being taken to recover the balance or to write off. .	

1.6.2 Payables

	Audit Observation	Comments of the Management	Recommendation
(a)	Actions had not been taken by the Company to settle trade and other account balances payable for more than 03 years amounted to Rs. 16,453,931 in respect of transactions executed by the Company even by the end of the year under review.	Due to shortage of working capital of the Company, accounts payable cannot be properly settled. The Company may not be able to properly release even the statutory payments for employees.	The Management should act to meet the responsibilities.
(b)	Arrangements had not been made to settle the Refundable Bid Deposits amounted to Rs. 4,145,432 which had not been settled from 01 to 12 years period by the end of the year under review.	The disclosure made by the Auditor is accepted and due to shortage of working capital of the Company, accounts payable cannot be properly paid. Company may not be able to properly release even the statutory payments for employees at least.	Actions should be taken for Managing of Bid Deposits to be released .

1.7 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following observations are made.

	References to Laws, Rules, Regulations, etc.	Non-compliance	Comments of the Management	Recommendation
(a)	Section 13.3 of Chapter II of the Establishments Code	Acting appointments should be made on a temporary basis until	The Board of Directors has recommended the	A permanent officer should be appointed to the post of General

	of the Democratic Socialist Republic of Sri Lanka	a permanent appointment made, without appointing an officer on a regular basis to the post of General Manager, three officers have been appointed on acting and temporary basis from the year 2011.	appointment of a permanent General Manager as per the Scheme of Recruitment.	Manager.
(b)	Section 16 (I) of Part II of the Employees' Trust Fund Act, No. 46 of 1980 and Section 15 of the Employees Provident Fund Act, No.15 of 1958	Although the employer should calculate contributions to the employee's total earnings and remit it to the Fund on or before the last day of the next month, actions had not been taken with regard to the unpaid amount from the year 2002 to 2016 amounting Rs. 9,284,933 of Employees' Trust Fund Liabilities and Rs. 113,681,008 Employees Provident Fund Liability and Rs. 5,828,972 to the Employees Provident Fund, and Rs. 8,370,625 had not been paid to Ceylon Plantation's Provident Fund up to the end of the year under review.	In 2015 a cabinet paper released a sum of Rs. 406 million and a sum of Rs. 352 has been received and so as actions have been taken to settle to settle the liabilities.	As stipulated in the the Employees' Trust Fund Act, contributions must be paid in a timely manner.
(c)	Section 5 (I) of the Gratuity Act, No. 12 of 1983.	Gratuity shall be paid within 30 days from the date of termination of employment, actions	In 2015 a cabinet paper released a sum of Rs. 406 million and a sum of Rs. 352 has been received	Actions should be taken to make payments in a timely manner in accordance with the provisions of

		had not been taken to settle gratuity obligations amounting to Rs. 116,127,708, from the year 1992 to 31 December of the year under review.	and so as actions have been taken to settle to settle the liabilities.	the Gratuity Act.
(d)	Public Enterprises Circular No. 01/2015 dated 25 May 2015.	According to the circular, a sum of Rs. 1,549,355 was paid as fuel allowances for three officers in the MM Salary Division who are not entitled to fuel allowance and to three officers who were recruited on temporary basis. Further, although the Chairman should obtain the approval of the Secretary of the Line Ministry for extra fuel for perform of the duties, without doing so, a sum of Rs. 528,434 had been paid during the year under review for an additional 6,616 liters of fuel obtained by the Chairman of the Company beyond the monthly fuel limit,.	Due to the requirement of the service, payments have been made with the approval of the Board of Directors. No comments have been made regarding the fuel use of the Chairman.	When the Company pays for fuel, it should only be paid to entitled officers in accordance with this circular.
(e)	Public Administration Circular No. 09/2007 (I) dated August 24, 2007	Although the recommendation of the Secretary of the relevant Ministry should be obtained for re-employment of a pensioner according to the circular, without such an approval two officers	Two officers with service experience have been recruited on contract basis with the approval of the Board of Directors of the Company on the service requirements of the Company.	Relevant approvals should be obtained for re-employment of a pensioner as per the circular.

over the age of 60 were appointed by the end of the year under review and a sum of Rs. 912,500 had been paid as salaries and allowances.

2. Financial Review

2.1 Financial Results

The Operating results for the year under review was a loss Rs. 33,622,258 and as against to that the profit of the preceding year was Rs. 37,088,435. Accordingly, the financial result had deteriorated by a sum of Rs. 70,710,693. The increase in the cost of sales by a sum of Rs. 44,513,326 had mainly attributed to this .

3. Operational Review

3.1 Management Inefficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	Due to not handing over the repair work to the contractor by preparing the Bill of Quantities, even though a sum of Rs. 549,913 has been incurred from January 2018 to 30 May 2019 for the renovation of Selagama Estate Bungalow which was commenced in the year 2018 as the repairs were not completed, the Company had incurred a sum of Rs. 954,591 during the relevant period as lease rent for Deputy General Manager, salary of the watcher at the rented house and electricity expenses.	The bungalow was in decadence due to lack of proper maintenance. Although the roof was completely renovated using plantation workers afterwards with the cost of Rs. 549,913, it cannot be used as a bungalow. So that Superintendent of the Selagama Estate (Deputy General Manager) has been given an official residence on rent basis.	It should enter into agreements with contractor in such a manner that they can be done within specified timeframes .

(b)	At the time of establishing the Company, a building located in a land 1.8 hectare in extent received on lease from State Plantation Corporation of Sri Lanka had been alienated to the Ministry of Defense on the agreement of compensation for obtaining a sum of Rs. 1,756,912 by a decision of the Board of Directors on 25 July 1996, actions had not been taken to recover the relevant amount even by the end of the year under review.	Even if the claim for compensation is made repeatedly, since there has been no positive response, the claim for compensation has been stopped.	The Company should take actions to obtain the compensation related to land release.
(c)	Even though the 4.25 hectares of land belonging to the Pallepola Divisional Secretariat, had been handed over with agreement to obtain a compensation of Rs.4,700,000, actions had not been taken to recover the relevant amount by the end of the year under review.	Even if the claim for compensation is made repeatedly, since there has been no positive response, the claim for compensation has been stopped.	The Company should take actions to recover the compensation related to land release.
(d)	Instead of establish a coconut plantation launching doing a feasibility study and in a suitable land for coconut cultivation even though based on environmental factors and started a coconut cultivation 10 hectares in the year 2007 in the Rathwaththa Estate without a suitable land for coconut cultivation, a sum of Rs. 6,396,615 had been incurred the cultivation had failed completely at the end of the year under review.	Although a coconut cultivation project has been started in 10 hectares, coconut plants were destroyed due to severe drought and damage caused by wild animals.	Coconut plantations should be commenced by checking the Soil suitability and feasibility of cultivation before starting new plantings.
(e)	Even though the candidates who had met the minimum qualifications required for the post of Human Resources Manager of the Company were called for the	It is informed that the disclosure made by the Auditor is accepted. .	According to the approved recruitment procedure, the most suitable candidate should be selected

interview, an officer who has not fulfilled these qualifications has been recruited to the post of Human Resources Manager on a contract basis in the year 2019.	from the candidates who have completed the approved qualifications.

3.2 Transactions in Contentious Nature

Audit Observation	Comments of the Management	Recommendation
Despite the ability to sell quartz by weight, as a result of the decision to sell the quartz according to the size by the Company, the Company had missed the opportunity to get a higher price. In spite of the buyer agreed to buy 1 cube of quartz for a sum of Rs. 13,650 per each according to the agreement, the Company had incurred a loss of Rs. 1,323,190 as the General Manager (acting) has given permission for the sale of 104.6 cubes per 1,000 rupees.	This project has been discontinued by the Company. The taxpayer has filed a case against to the termination. The view of the Company that it has to pay Rs. 13,650 also for quartz sold for Rs. 1000 per each whereas the approval of the former General Manager given. The Management has decided not to implement the project until the agreement entered in to.	Disciplinary actions should be taken against the officials who have been made the loss to the income of the Company by giving permission for the sale of the quartz at the price lesser than the contract price.

3.3 Disposable or under Utilized Property, Plant and Equipment

Audit Observation	Comments of the Management	Recommendation
Out of the 06 factories owned by the Company, 03 were inactive and actions had not been taken the inactive factories to contribute to tea production or to lease out.	There are 06 factories belonging to the Company and of that , 04 were handed over on lease basis. Out of the 04 external taxpayers, due to non-payment of taxes by two taxpayers, the relevant factories have been re-acquired. The Company has already	Actions should be taken to get contributed the inactive factories for manufacturing activities or lease the Companies.

	commenced manufacturing of one of the two re-acquired factories.	

3.4 Human Resource Management

Audit Observation	Comments of the Management	Recommendation
A sum of Rs. 2,841,971 had been paid as salaries and allowances in the year under review recruiting three officers on permanent basis and 07 officers on contract basis for the posts which were not approved by the Department of Management Services.	The Company has recruited on the basis of service requirements.	The recruitment of employees should be made only for the posts approved by the Department of Management Services.