

**EML Consultants PLC.**

# ANNUAL REPORT

## 2024



**EML Consultants PLC.**

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# 1 VISION & MISSION

## OUR VISION

To be the leading consultant providing innovative and integrated environmentally friendly solutions to national and international clientele.

## OUR MISSION

To deliver socially acceptable and economically viable options for emerging issues, improving resilience and sustainability through the adoption of people-centered, nature-based approaches combined with advanced technology.

## 2 ABOUT US

### Overview of the Company

EML Consultants PLC has been providing technical and management consultancy services to the private and public sector in Sri Lanka and across the globe for the past 32 years. While the initial scope of the organization revolved on environmental and natural resource management, over the years we have been able to expand into diverse industries and fields, covering a spectrum of communities. The Company obtains consultants for each project based on the requirements of the specific project, hence following a cost-effective model that enables efficient resource allocation

and sustainability of operations. EML has entered into several strategic partnerships with a multitude of partner companies to collaborate and provide technical assistance to clients or retain professionals as and when such technical inputs are required. These organizations are listed below;

- **Development Concepts (Private) Limited**
- **International Institute for Development Transformation (Private) Limited**
- **Sustainability Agenda (Private) Limited**

### CORPORATE VALUES

#### CONNECTED

We invest in insight to get to the heart of our customers' challenges.

We are open and transparent in the way we work.

#### COMMITTED

Deeply involved in building relationships – everything we do is with the long-term in mind.

Our dedication to quality is the cornerstone of our success – we get every detail right.

#### CREATIVE

We are constantly developing better ways of working.

If we find a better way of working, we act upon it and proactively share it.

### 3 BUSINESS STRATEGY, PROJECT SCOPE, MAIN BUSINESS SECTORS & CORPORATE VALUES

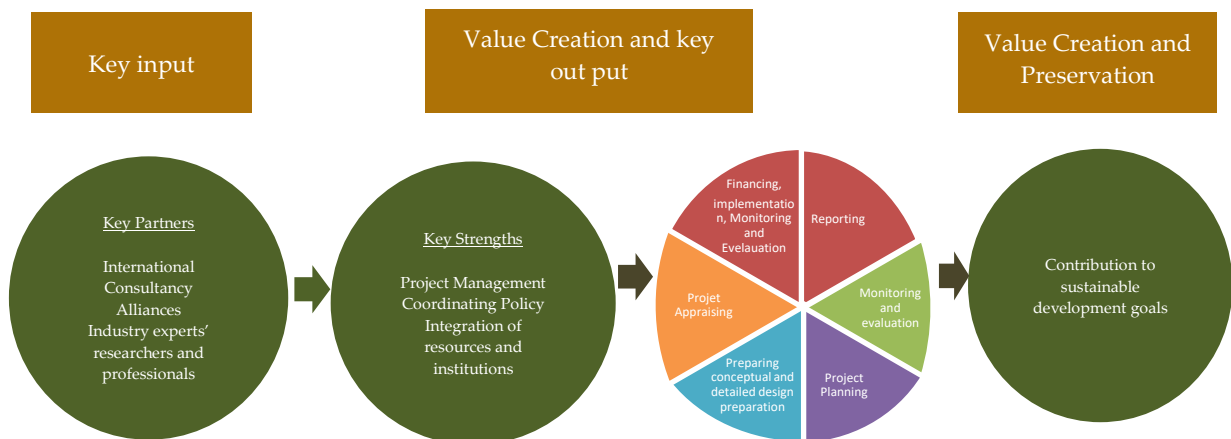
#### EML Strategy

Our scope reaches beyond profitability to create lasting value through empowering sustainability across private and public industries. Our contributions to sustainability stem from our knowledge, technical and analytical capacity as well as our access to an extensive pool of professionals and experts in various fields.

While our main areas of expertise pivot on Environment and Natural Resources Management (ENRM), over the years we have expanded into a multitude of areas, and simultaneously enhanced our scope to cover

areas such as Urban and Industrial Engineering (UIE), Capacity Building and Human Resources Development (CBH), Monitoring & Evaluation & Social Safeguard (MESS) and Overseas Technical Assistance Projects (OAP).

Our capacity to effectively deliver value hinges on our straight forward yet effective business model. The ultimate objective of our strategic business approach is to encourage our clients to mobilize the resources and expertise and work towards the larger sustainability goals while pursuing business growth, and create value for all stakeholders along the value chains.



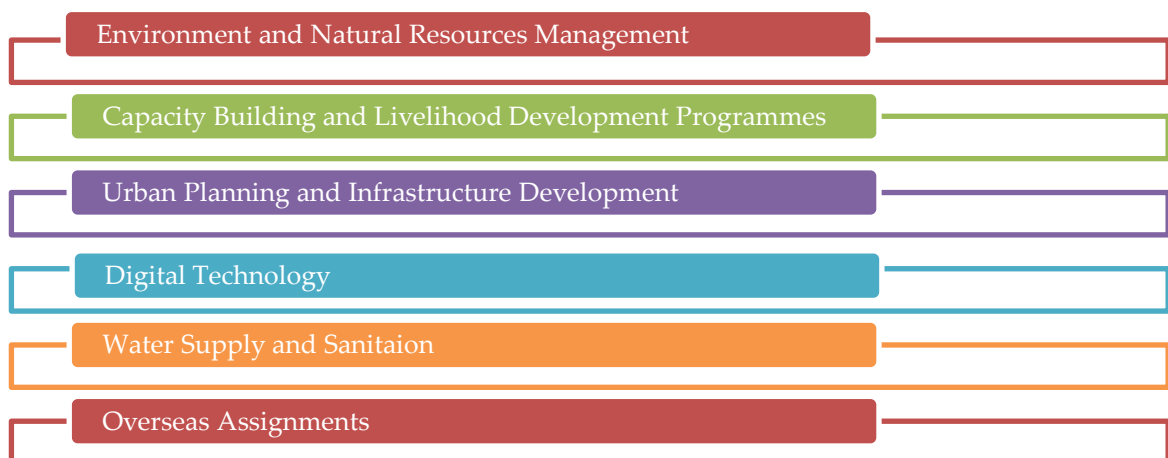
### EML Project scope



### Main Business Sectors

EML is a technical and management consultancy services provider at its core. At present, we provide our services to both public and private sector institutions and international agencies. We secure projects

through a process of competitive bidding formulated on specific requirements by project owners. Our services can be segmented in six main categories.



### Environment Climate Change and Green Economic Development

EML continued to be a leading service provider to the government & private sector for mainstreaming green concepts into development planning. The offered technical services to government and international donor agencies such as UNDP, and ADB to formulate projects that helped to develop more environmentally sustainable projects for the country. The Projects Division of EML has taken keen interest on the preparation of environmental assessments (EIAs) for many development projects including Renewable Energy projects in the country.

### Capacity Building and Livelihood Development Programs

EML's involvement in capacity building and livelihood development spans across a multitude of projects related to livelihoods and rural development. Local Government agencies have been one of the focus areas of EML's involvement in the past.

### Urban Planning and Infrastructure Development

EML's expertise, experience and insights in this sector covers regional and urban planning, preparation of master plans, urban infrastructure, roads and highways, harbor and coastal development. EML has been responsible for preparing Master Plans for the Green City Development, and Central Province Tourism Master Plan. Recent involvement in this sector include the preparation of Green City Master Plans to some of the key provincial cities in the country.

### Digital Technology

Having recognized the importance of IT in development, EML Consultants created a unit to coordinate and develop digital capabilities in the company. The division had initial discussion with an overseas digital technology company to enhance its capability to provide IT services with the aim of popularizing Artificial Intelligence (AI), internet of things (IOT) into corporate and government institutions.

### Water Supply and Sanitation

EML's experience encapsulates all the aspects of the water supply and sanitation sector, including feasibility studies, detailed designs, environmental assessments, and socio-economic analysis. EML was and continues to be a partner in the initial studies, designs and construction work for upgrading / rehabilitation of the entire sewer network of Colombo and adjacent areas, and also in the design and construction of new sewer network in towns, north and south of Colombo.

### Overseas Assignments

A significant milestone of EML's journey towards success is our breakthrough into the international arena of consultancy services. EML's overseas footprint not only spans the South Asian Region, but also includes the African continent and the Pacific Islands.

## 4 CHAIRMAN'S MESSAGE



*"We demonstrated resilience amid the challenging external environment in 2024 and are now well-positioned to capitalize on improving domestic conditions as we work toward returning to our usual business levels."*

Resilience and innovative spirit were the hallmarks of the year 2024, as EML along with the rest of the other businesses attempted to stay afloat in the crisis hit country. In 2022, the country had gone through a severe financial and economic crisis, the impact of which continued in 2024. The inherent challenges of the local and global context in 2024 called for a gear shift in our business approach that pivoted on our fundamental values of integrity and expertise. Signs of economic recovery in 2024 with economic growth turns positive shed light on a better future at the time of presenting this Annual Report and Audited Financial Statements of the Company for the year ended 31st December 2024 on behalf of the Board of Directors.

### *Macroeconomic backdrop*

The global economy continued to experience several challenges, though expected to grow over 3% in year 2024

Meanwhile, the Sri Lankan economy grew by 4.4% in 2024, marking a significant rebound from the 7.3% contraction in 2022 where the economic turbulence hit the country. Inflation remained low, with the Colombo Consumer Price Index turning negative towards the year end.

Market interest rates continued to decline, reaching stability in the financial sector. Tourism income continued to flow with a significant increase in arrivals whilst the foreign remittances too reflected positive contribution to enhance the foreign currency reserves. Amid these improvements, the Exchange rates also stabilized towards the latter part of 2024.

### *EML Performance*

During the year under review, EML's total revenue amounted to LKR 116.6 Mn reflecting a growth of 29.5% compared with the previous year. While project values and durations are the factors that lead to revenue fluctuations in our operations, the volatile macroeconomic factors also contribute to varied revenues.

In 2024, the new project initiations were at a moderate level in the country due to the lack of investment particularly from the government sector and the international donor agencies. Private sector projects were picking up slowly as the construction related activities witnessed a modest resumption.

However, the limited opportunities in the project development environment caused EML securing only 7 projects in the year 2024.

Our 30 years of experience, insights and expertise assisted us at this critical juncture to manage resources effectively and efficiently, to secure

Despite the increase in revenue, lower gross profit margin which stood at 32% in year 2024 compared to that of 41% in year 2023, led the net losses to be hovering around the same levels as last year. Competitive nature of the industry forced EML to settle for lower profit margins as a measure of securing new projects.

Meanwhile, we veered our focus on analyzing the evolving market trends as well as new requirements that arose with the change in the global landscape triggered by the geopolitical and social upheavals.



### *Growth opportunities*

While economic, social and political stability are vital to commence development projects and attract private sector projects to have a sustainable project pipeline, the absence of such an environment will complicate our growth aspirations. We remain hopeful that the country will regain stability in time. We expect the global donor agencies to launch new projects, especially to support the struggling communities to uplift their livelihood and support the rural areas and small and medium businesses which could capitalize on new opportunities.

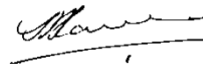
Meanwhile, we will continue to explore opportunities for growth in the current climate and build and nurture relationships with the government and private sector institutions to pursue viable growth. We will also continue to improve our services to potential and existing customer organizations through process improvement, innovation and knowledge acquisition.

In the long-term, EML plans on exploring growth opportunities beyond the borders of Sri Lanka. As a long-established brand in Sri Lanka with a strong track record of successfully completing over 500 projects, we believe that we will have a

better chance of securing businesses especially in the South Asian region.

### *Acknowledgments*

The year 2024 became yet another challenging period not only for EML but also for the entire nation. As such, I am grateful to the unwavering support and inspiring guidance extended to me by our Board of Directors as well as the Senior Staff. Our employees remained committed to achieving organizational plans during the year and beyond, amidst a complex and difficult period. I would like to express my sincere gratitude to each and every one of them. I would also like to extend my gratitude to our consultants and professionals for their valuable services and input. Let us steer ahead undaunted by challenges to create sustainable value.



**Karunasena Hettiarachchi**

*Chairman*

27<sup>th</sup> May 2025

## 5 MANAGING DIRECTOR'S REVIEW



*"We are confident that the improving economic conditions will support our efforts to regain business volumes and enhance our performance."*

It is my privilege and pleasure to present you the fourth Annual Report of our Company since the listing in the CSE. The year 2024 has been a challenging period for Consultancy services with the economic crisis affecting the development process and the financial sector of the country. Needless to say, this had an impact on national development and it continues to hamper the progress of all projects with a significant impact on the consultancy services sector. After going through a tough year in 2023, the year 2024 began with the same challenges in our way as the government was taking measures to overcome its worst economic challenges (as per IMF). The embargo on construction projects continued and as a result, consultancy opportunities on the development of roads, water, and construction works remained minimal. However, Sri Lankan economy began to show recovery where interest rates stabilized whilst the Rupee appreciated against the USD and settled down below 300. Most importantly, the positive GDP growth continued with IMF and the World Bank projecting a positive outlook for Sri Lanka beyond 2024. New project initiatives remained modest whereas the project initiations from donor agencies which is a key segment for EML had not gathered momentum during the year. The Company had limited opportunities to capitalize on, hence the number of projects secured remained low. Despite this challenging environment, EML continued to work on ongoing projects and secure new projects to increase revenues.

### Financial Results

The company posted a revenue of Rs. 116.6 Mn which has increased year by year by 29.5%, caused due to securing new projects and revenue derived from existing projects. However, the achieved GP was Rs. 36.9 Mn which is similar to that of previous year. The GP margin has dropped to 32% from 41% reported in year 2023 caused due to competitive pricing for the projects. Due to the reduction in GP margin, EML ended the financial year with a net loss of Rs. 8.1 Mn. The overhead costs have declined modestly and the net positive finance income declined by 45% due to reduced bank interest on deposits. Recognizing the challenging times, internal cost management was also reviewed, and steps were taken to effectively manage the overheads.

### Business Overview

Being a year of sustenance in the market, we managed to secure 7 new projects which is however, well below the par considering the capabilities of the Company.

With our integrated approach, we supported our customers in their needs, during the turbulent economic conditions while providing most services uninterrupted and offering innovative solutions.

In 2025, we will continue to focus on growing our consultancy business, by expanding our products and services to areas where there is greater potential. We have expanded our services to include Consultancies on Artificial Intelligence and, in this regard, we have made arrangements to enter into a partnership with an Australian

based company to represent their products and services in Sri Lanka.

In addition, the company has made significant advancement towards developing renewable energy sector, green financing and climate resilience improvement which are believed to be well financed in future. As a measure of showcasing the service, in December 2024 the Company commenced the process to obtain ISO 9001-2015 standard (Quality Management Systems) & ISO 14001-2015 standard (Environmental Management Systems). To further enhance the focus on business development. A new CEO recruitment is planned for year 2025. Our approach in 2025 will focus on growing sectors such as Tourism investment while special effort will be taken towards soliciting opportunities with Port City investments. In this regard new agreement has been reached with a major investor on Port City developments to promote Mixed development.

All in all, the past year has been noteworthy in many ways. New tools and methods developed during the pandemic helped EML to carry out its work uninterruptedly.

I sincerely believe that EML has much more to offer over the next several years as we surge ahead with our growth plans. We will continue

our journey focusing on developing our infrastructure, further strengthening our competencies to expand into new markets, developing our tools, attracting the right resources with the aim of delivering strong, sustainable returns to all our stakeholders.

### Gratitude

Let me also take this opportunity to thank our entire leadership team headed by our Chairman, and our employees who have worked tirelessly under difficult conditions. I am immensely proud of the way they have taken the challenges in these unprecedented circumstances.

Lastly but not least, I like to place on record my gratitude to all shareholders who purchased and retained shares of EML Consultants PLC during the past year. I am equally grateful for the ongoing support we receive from our clients as well as our business partners.



**K.A.K. Jayatilake**  
**Managing Director**

*27th May 2025*

## 6 BOARD OF DIRECTORS



**Eng. Karunasena  
Hettiarachchi -  
Chairman  
Non-Executive Non-  
Independent Director**

A chartered Civil Engineer by profession, Mr. Hettiarachchi Graduated in Civil Engineering with Honors and worked with Central Engineering Consultancy Bureau for a short period of time and joined the Department of Irrigation. Served nearly 20 years and retired prematurely in 1995 as a Class I officer of the Sri Lanka Engineering Service. During this period, he was seconded to the International Water Management Institute (IWMI) as a Research Associate and conducted research on irrigation management for 4 years.

He is a Fellow of the Institution of Engineers Sri Lanka, and holds a Master of Engineering Degree from the Catholic University of Leuven of Belgium. Mr. Hettiarachchi is also a Chartered Environmental Professional and a Member of Institute of Environment Professionals, and also a Fellow Member of Institute of Management of Sri Lanka.

He held many positions in the top level management at various globally reputed organizations and projects such as (Nippon Koei Ltd of Japan), Project Director of Clean Settlement Project (World Bank Funded) and Urban Development and Low-Income Housing Project (Asian Development Bank funded) and then joined the Japan Bank for International Cooperation (JBIC) as the Senior Project Specialist, where he worked for 11 years. While working with JBIC, he was

appointed as the Chairman of Geological Surveys and Mines Bureau (2 years) and later functioned as Chairman of Sri Lanka Foreign Employment Bureau (2 years), Central Environment Authority (3 years), Sri Lanka Land Reclamation and Development Corporation (3 years) and National Water Supply and Drainage Board (5 Years).

In 2015, He was appointed as the Secretary to the Ministry of Urban Development and Water Supply and later appointed as the Secretary to the Ministry of Defense. Afterwards, He was posted as the Ambassador to Germany and also accredited to Switzerland, Croatia, Macedonia and Montenegro.



**Mr. K. A. K. Jayatilake -  
Managing Director  
Executive Director**

Mr. Avanthi Jayatilake is one of the accomplished professionals in the sphere of Environment Management. He started his career as a Research Officer in Rubber Research Institute of Sri Lanka and later joined the Sri Lanka Administrative Service in 1980 and served in many important positions in government agencies including the Ministry of Plan Implementation, Central Environmental Authority and Ministry of Environment. In 1991 he was recruited by the United States Agency for International Development (USAID), as the Program Management Specialist and was later appointed as the Mission Environmental Officer to look after the environmental aspects of all projects supported by the USAID in Sri Lanka and Maldives.

In addition, he has also served as an Advisor to several Ministries in the past governments

on related matters. Mr. Jayatilake has served as the Team Leader for large number of Environmental Impact Assessment Reports and served as the Environmental Specialist for several major projects designed and implemented in other countries as well. Previously, Mr. Jayatilake has also served as a Director and Chairman of the Board of Property Development PLC, a company quoted on the Colombo Stock Exchange and as the Chairman of Maganeguma Consultancy and Project Management Services.

He holds a M.Sc. in Environmental Management from the University of Tasmania – Australia.



**Mr. Thilak Hewawasam**  
– Non-Executive Non-Independent Director

A Regional Development Planner by profession, Mr. Hewawasam has a wealth of experience serving in both the public sector and private sector institutions. His services in the state sector includes the tenure as Chairman, Central Environmental Authority, which is the apex body responsible for the formulation and implementation of environmental regulations.

He has also been involved in different national level projects and has held key positions such as National Project Director for the Water Supply & Sanitation Project (CWSSP), 1992- 1997 Ministry of Housing - Sri Lanka, Director - Clean Settlement Program (CSP) funded by World Bank, Project Director – ADB funded Rural Water Supply Pilot Project in the District of Monaragala and Coordinator- Greater Colombo Urban Community Sanitation Program (1994-1996). From 2006-2010, he was the Senior Water and Sanitation Advisor for the USAID Asia (Eco-Asia) Program. His international experience includes involvement in community development projects launched by USAID and

World Bank in many countries in the South Asian Region, West Asia and Central Africa.

Mr. Hewawasam holds a M.Sc. (Econ) in Regional Dev. Planning from University of Wales, Post Graduate Diploma in Sociology – Land Settlement & Development from University of Colombo, Post Graduate Certificate in Public Administration, SLIDA and BA(Sp.) 2nd Class (Hons) in Geography from the University of Ceylon, Peradeniya. He is also a Member of Sri Lanka Administrative Service (SLAS) and Member of Institute of Environmental Professionals, Sri Lanka.



**Mr. H. N. J. Chandrasekera**  
– Non-Executive Independent Director

Mr. Jayaraja Chandrasekera is a senior banking professional who has held Senior Corporate Management positions in one of Sri Lanka's leading private commercial banks, Hatton National Bank PLC, with a career spanning over 35 years. He has handled Banking and Bancassurance related responsibilities during his long tenure in the Financial Services Industry. He has also served in the Boards of National Savings Bank and Pan Asia Banking Corporation PLC since 2015 to 2020.

He holds an MBA from the University of Sunderland UK, and a Postgraduate Diploma in Strategic Management. He is also a member of the Association of Professional Bankers, Sri Lanka and has undergone extensive training in banking, leadership, and management both locally and at prestigious overseas institutions such as Mount Eliza Business Faculty, Melbourne University- Australia, National University of Singapore, Lloyds Bank TSB-UK, Development Bank of Philippines and

Association for Overseas Technical  
Scholarship - Japan.



**Mr. K.P.P.H.  
Mihiripenna  
Non-Executive  
Independent Director**

Mr. Mihiripenna is a well-experienced finance professional with a long track record in the fields of accounting and finance, holding key positions in several companies in Sri Lanka. He also possesses ample experience in corporate management as a member of Boards of different entities, both in private and state sector.

Starting his career at Ernst & Young back in 1985, Mr. Mihiripenna has moved to hold key positions, including Finance Controller and Vice President - Finance in private and public listed companies. These companies include Muller & Phipps Ceylon PLC, Ceylon Beverage Holdings PLC (formerly Ceylon Brewery), Yashoda Group of companies and Ruhunu Cement Company Limited.

Mr. Mihiripenna is currently a senior partner of Keerthi Mihiripenna & Co., a firm of Chartered Accountants. He currently serves as the Chairman/Managing Director of Harvest Business Consultants (Private) Limited and Berkley Insurance Brokers (Private) Limited and also the Chairman of Berkley Associate (Private) Limited. Previously, he held the positions of Deputy Chairman and Chairman of Milco (Private) Limited from February 2015 to May 2018 and also from February 2019 to January 2020.

Further, he has been in the Management Board of Samurdhi Bank.

Mr. Mihiripenna is a Fellow Member of the Institute of Chartered Accountants of Sri

Lanka, Institute of Certified Management Accountants of Sri Lanka and Association of Accounting Technicians of Sri Lanka. He also holds a B. Com (Special) Degree from the University of Sri Jayewardenepura. He has been an Associate Member from the inception (2005) of Sri Lanka Institute of Directors.



## 7 SENIOR PROFESSIONALS

### Management Team – External Consultants



**Dr. S.M. F. Marikar –  
Senior Consultant**

Dr. Marikar is a leading specialist in Sri Lanka in the statistical design and conduct of surveys and processing of quantitative data and qualitative information. He counts over 20 years of experience in government departments as the Director Planning and is well conversant with the functioning mechanism of the state sector.

During his career, he has spearheaded design and conduct of over twenty socio-economic surveys including design of questionnaires, implementation, monitoring and evaluation. He also has served as the Senior Consultant in the Study on Impact Assessment of the rural community resulting from the development of a major infrastructure project in Southern Sri Lanka. He has been the ‘Senior Project Economist’ for the ADB funded mission Sri Lanka Agricultural Rehabilitation Project, which was aimed at the assessment of the achievement of social and economic objectives via agriculture development.

Dr. Marikar is a Ph.D holder in Natural Resource Economics from the Colorado State University – USA and has a Master’s degree in Agricultural Economics from Stanford University, California – USA. He also holds a B.Sc. Agriculture (Second Upper) degree from the University of Ceylon.



**Dr. S. Manitha  
Weerasuriya – Senior  
Consultant**

Dr. Manitha Weerasuriya has extensive experience in project management and governance related training and capacity building projects conducted through the USAID funded TALG and GUGSA programs since 2004. He is the Managing Director of the International Institute for Development Transformation, IIDT, and CEO of Nikini Automation Systems (Pvt) Ltd (Sri Lanka). He was Lecturer at the City University of New York and served as the Assistant Soil Chemist at the Rubber Research Institute of Sri Lanka.

Dr. Weerasuriya obtained his Ph.D. on Environmental Biology and Master of Philosophy Degree in Biology from the City University of New York. He has also obtained his Masters in Botany and B.Sc. in Agriculture from the University of Peradeniya, Sri Lanka. He has received several Awards, Fellowships and Grants during the academic career.



**Mr. K H Muthukuda  
Arachchi – Senior  
Consultant**

Mr. Muthukuda Arachchi is a veteran in the Environmental and Natural Resources Management fields, having served in government Institutions including Central

Environmental Authority and National Water Supply & Drainage Board in his career expanding over 30 years. He has held senior positions at different departments in the CEA including Director and Deputy Director positions. He has also served in different committees and Boards of Ministries including Ministry of Industry & Commerce and Ministry of Local Government and Provincial Councils.

He has undergone foreign training relating to various aspects of Environmental Management in many Asian Countries as well as in Europe.

Mr. Muthukuda Arachchi holds a Bachelor of Science (B.Sc.) - Biological Science Degree from the University of Sri Jayewardenepura and a Master of Science (M.Sc.) Degree on Forestry and Environment from the University of Sri Jayewardenepura.

### Management Team-In House

The leadership team of the Company is responsible to ensure that the affairs of EML are carried out in a manner that would achieve the desired objectives for the best interests of the Company and its shareholders.



**Mr. K.A.K. Jayatilake**  
**Managing Director**

*Please refer Section No.6. of this Annual Report for Managing Director's profile.*



**Mr. A Rajaratnam**  
**General Manger - Projects**

Mr. A Rajaratnam has 30 years' experience in the Environmental Sector. He has a track record of 11 years in EML Consultants PLC, in various positions in Project Management and Consulting. Prior to joining EML, he had worked for the Central Environmental Authority for 15 years in various capacities in the Pollution Control Division. He also served as a Project Management Specialist, and Deputy Project Director in the North East Coastal Community Development Project in the Eastern Province, implemented by the Ministry of Nation Building which was funded by the Asian Development Bank.

Mr. Rajaratnam is a Chartered Environmentalist and holds a Master's degree in Environmental Science from the University of Colombo. He has also attended several international and local trainings. He also participated in several technical committees during his tenure at CEA.





**Dr. Pradeepa Serasinghe**  
**Proposal Advisor/  
Consultant**

Dr. Pradeepa Serasinghe is a vastly experienced professional with a proven track record in the fields of Public Management, Business Administration, Human Resource Management, Human Resource Development, Event Management, Governance and Heritage Management.

During her career that extends over thirty years as an officer in the Sri Lanka Administrative Service, Dr. Serasinghe has served as the Director of Women's Bureau of Sri Lanka, the Secretary to the National Education Commission, Director General of Sri Lanka Institution of Development Administration (SLIDA) and as the Director General of the Department of Archaeology. Her major Involvements include positions held as Additional Secretary to the Ministry of Cultural Affairs and as Additional Secretary to the Ministry of Public Administration and Home Affairs.

Dr. Serasinghe holds a BSc degree from the University of Peradeniya, BA (Hons.) degree in Mass Communication from the University of Sri Jayewardenepura, MBA degree from the University of Birmingham, UK and PhD degree from the Post Graduate Institute of Archaeology, University of Kelaniya.

She also has extensive training in areas such as Capacity Building, Governance, Project Management, Gender Mainstreaming, Public Policy, and Human Resource Management from several agencies around the world.



**Mr. Indika Dias**  
**Head of Finance**

Mr. Indika Dias started his career as an Audit Trainee and completed 4 years audit training, then he joined Ceylinco Homes Group as an Accountant and had the opportunity to actively involve in many remarkable projects. After completion of 11 years of successful service he joined as Chief Accountant of Seven Seas Computers- Dubai Company and its subsidiaries in Sri Lanka.

After completion of 3 years, he joined Apurva Natvar parikh Group in India as an Accounts and Admin Manager and completed 3 years. Later he joined EML as a Group Finance Manager in 2017. He has overseas experience in Dubai, Singapore and India. He has a wide knowledge on import and export processes, procurement and corporate & personal Taxation and possesses the Customs wharf certificate. Mr. Indika Dias is a Final level candidate of CA Sri Lanka and a Member of AAT. He is currently reading for his MBA from Rajarata University.

## 8 MANAGEMENT DISCUSSION & ANALYSIS, COMPANY PERFORMANCE

### Global context

Global economy shown resilience after a slowdown prevailed since 2020. Yet, many challenges to overcome in particularly political front, global trade etc. The International Monetary Fund (IMF) projects global growth at **3.2% in 2024**, with a slight increase to **3.3% in 2025**. This stability is attributed to resilient services sectors, despite persistent inflationary pressures.

Even though there are growth prospects, geopolitical tension has been a primary challenge for many regions. Russia-Ukraine war, tension in middle eastern region affected the global trade significantly. Trade wars between the west and east is another challenge where supply chains are facing disruptions. Year 2024 also saw a significant negative impact due to extreme weather conditions. Climate changes have been a critical factor which will continue to impact human activities around the world.

### The Economic backdrop of Sri Lanka

EML entered year 2024 with the mere hope that economy would recover from its worst decline. Debt restructuring measures supported by IMF, rigid macro-economic policies helped the country to step towards recovery slowly but steadily. GDP growth hung over 4% during the year. Both Inflation and Interest rates stabilized at a reasonable level. Private credit started to grow slowly with the environment changing positively for businesses. Foreign remittances and increase in tourism arrivals assisted to ensure USD inflows to stabilize the exchange rate by the end of 2024.

### Company performance overview

EML's key business activities include Environment and Natural Resources Management (ENR), Capacity Building and Human Resources Development (CBH) Programs, Urban and Industrial Engineering (UIE) Services and Special Projects Management, Capacity Building and Human Resources Development (CBH) Program and much more. EML Consultants PLC generate cash flows through the provision of technical and management consultancy services. The Company engages in specialized service segment where both the public and private sector institutions seek our services. Over 30 years in the industry, EML has served thousands of clients by providing consultancy services covering a wide spectrum of sectors.

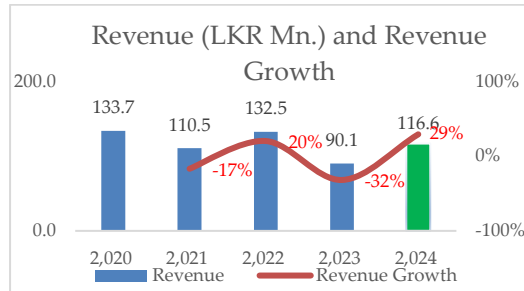
During the year 2024, EML secured 7 new projects whilst 13 projects were ongoing which had commenced in previous years. Some of the key projects handled during the year included a Project for Capacity Building for Field Officers of Community Participation in Community Water Supply Scheme Management in Sri Lanka (JICA Project), Agriculture Sector Modernization Project (ASMP) by Ministry of Agriculture, Livestock, Lands, and Irrigation, Sri Lanka, Developing Sustainable integrated Solid Waste Management (ISWM) and Circular Economy in the Uva and Northern Provinces in Sri Lanka Project and Avifaunal Study for Mannar Wind Power Project.

Significantly low project initiations from the government sector and donor agencies have led to an overall drop in new business volumes for EML as well. Competition in the industry in terms of low pricing strategies also affects adversely on EML as a premier service provider.

## Financial Review

### Revenue

Compared to year 2023, EML has been able to increase the topline in FY 2024 by 29% with the continuing projects and new projects secured. A notable revenue has been generated from 3 projects exceeding LKR 10 Mn each in FY 2024.



### Direct Costs

The direct costs associated with the revenues predominantly consist of consultancy fees to professional consultants retained for every project and other costs such as transport, accommodation etc. that directly relate to projects. During the year under review, direct costs increased by 48% compared to FY 2023. This increase is higher than the revenue growth of FY 2024 which is a result of increase in cost elements such as consultancy fees, travelling expenses etc. Competitive pricing to secure projects has resulted in lower growth in revenues though the Company had to incur the corresponding costs at the market rates.

### Overhead Expenses

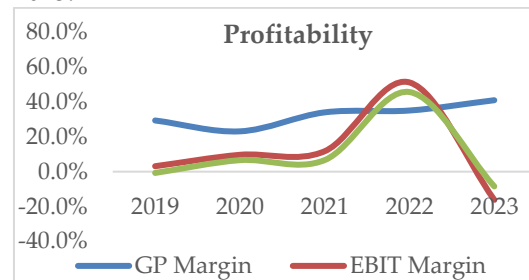
During the year under review, administration expenses increased by only 1.4% compared to FY 2023. There has been no major recruitment during the year and also strict cost control measures. Apart from the administrative expenses, other losses have also reduced with the lower exchange losses and gain from disposal of motor vehicles during the year. Both the finance cost and finance income has dropped with the reduced market interest rates in FY 2024 particularly in 2H of the year.

### Profitability

During the year under review, the gross profit margin has declined notably from 41% of last FY to 32%. This decline is due to the squeezed

margins quoted for projects in a competitive environment as a measure of securing projects. As a result, the gross profit for FY 2024 remains around the same level of last FY.

Loss before interest and tax has reduced with the reduction in other losses in FY 2024 whilst the administrative expenses remained without a significant change compared to FY 2023. Net loss margin stood at 6% compared to 8.5% in FY 2023.



### Financial position

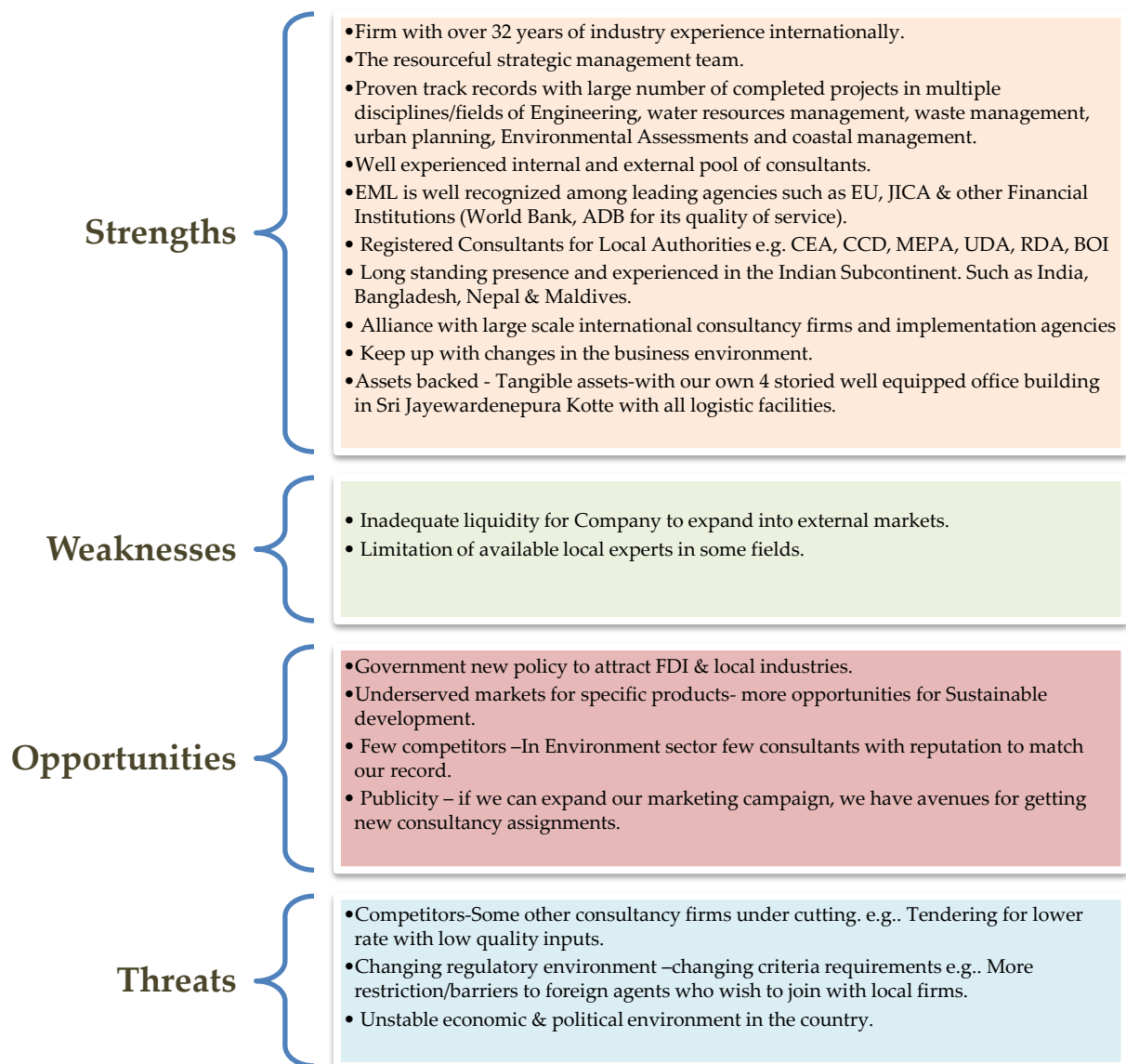
As a professional service provider, EML's operations are highly dependent on human capital in terms of professional consultancy services. As such, we are not an assets driven company.

Therefore, generally EML's assets are represented by current assets in the form of receivables and liquid assets such as bank deposits and cash. In the Financial Year 2024, EML has not made any material investments on the property, plant and equipment. At the same time non-current assets base also not reflecting major fluctuations other than the 322% increase in Trade and other receivables. With this increase, cash and cash equivalent balance has also dropped by 31% in FY 2024 reflecting a tightened working capital position.

On the non-current liabilities aspect, deferred tax liabilities have gone up by LKR 20 Mn with the deferred tax recognized on revaluation reserve. At the same time, short term Loans and borrowings and Trade payables have increased by LKR 7.4 Mn and LKR 9.1 Mn respectively.

Apart from the above-mentioned variations, there were no major fluctuations in other assets and liabilities of the Company.

## EML SWOT ANALYSIS



## FUTURE OUTLOOK

The prevailing macro-economic conditions are less conducive and have slowed down the country's growth. However, Consultancy is a business that can make the best use of a situation as the multi-lateral and bilateral donors become more active with greater project opportunities to help the country recover during the difficult period. Hence, we expect a rebounding of donor interest with the stronger strategic alliances especially with the Asian and European countries. Such flow of technical

assistance is expected to increase the demand for EML's consultancy services.

Meanwhile, we will continue to intensify focus on our strategic drivers such as reducing direct cost and enhancing partnerships to navigate the troubled waters.

## 9 CORPORATE GOVERNANCE PRACTICES

Corporate Governance practices of EML comprehends promoting corporate impartiality, transparency, accountability and responsibility in directing and controlling the Company in the best interest of the stakeholders. All structures, principles and policies are focused on ensuring the company is governed in a manner that safeguards the best interest of all stakeholders. In implementing these practices, the Company ensured that the Corporate Governance requirements stipulated by the Colombo Stock Exchange are adhered to whilst all good governance practices are upheld.

EML firmly believes that good Corporate Governance is a fundamental in ensuring that the Company is well managed in the best interest of its shareholders and essential for sustainable growth. High standards of governance are the core of a company in driving it towards long term goals in an ethical, efficient and effective manner whilst fostering an entrepreneurial culture.

### Compliance with Corporate Governance Codes

Our practices are guided by the Code of Best Practice on Corporate Governance issued jointly by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka (SEC) and Listing Rules on Corporate Governance by the Colombo Stock Exchange (CSE).

### Statement of Compliance

We aim to ensure that good corporate governance provides a solid basis for our business, in promoting transparent and ethical business conduct at all levels and add value for our stakeholders. Thus, we continue to be committed to the highest standards of corporate governance across all dimensions of our operations and these standards are encapsulated in our governance policies and documents.

The Board of Directors also wishes to confirm that, to the best of their knowledge and belief, the

Company has complied with the Corporate Governance requirements stipulated in Rule 9.18 of the CSE Listing Rules, requirements under the Companies Act No 07 of 2007 and satisfied all its statutory payment obligations to the Government and other statutory/regulatory bodies.

### Governance Structure

The Governance Structure of EML allows effective and efficient decision making while interconnecting elements in governance. It is ensured by having the right balance of authority and power throughout the organization. It comprises process and structures which affect the way an organization is directed, managed and monitored and its activities are reported.

### Board of Directors

The Board of Directors of EML comprises of experienced and professional individuals who ensure that the required strategy and direction is provided to the Company and all business affairs are conducted in a professional manner. The Members of the Board led by the Chairman are dedicated to act in good faith, uphold the ethics in their conduct to create wealth and value for the shareholders. The Board comprises of a combination of Executive, Non-executive and Independent Members as depicted below:

- **Mr. Karunasena Hettiarachchi**  
Chairman, Non-Executive, Non-Independent Director
- **Mr. K. A. K. Jayatilake**  
Managing Director, Executive Director
- **Mr. Thilak Hewawasam**  
Non-Executive, Non-Independent Director
- **Mr. H. N. J. Chandrasekera**  
Non-Executive Independent Director
- **Mr. K.P.P.H. Mihiripenna**  
Non-Executive Independent Director



Apart from the Managing Director, all other members are non-executive directors who help to strike a good balance with two of such non-executive members being independent directors.

### Role of the Board

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls. With the view of maximizing the returns to the shareholders and safeguard the interest of all stakeholders, the Board is monitor and evaluate the operational and financial performances on a regular basis and make adjustments to the strategies if required.

### Role of the Chairman and Managing Director

Recognizing the importance of clear distinction between the roles and responsibilities of the Chairman and the Managing Director, we have appointed a Non-Executive Director as the Chairman whilst the Managing Director plays an Executive role. This ensures balance of power and no one person has unconstrained power in decision making and implementation.

### Appointment of Directors

The Board may appoint suitable members to the Board subject to the provisions of the Articles of Association from time to time. Upon the appointment of a new Director to the Board, the Company informs the Colombo Stock Exchange with a brief resume of the Director, containing the nature of his/ her expertise in relevant functional areas, other directorships held, memberships on Board Committees and the nature of the appointment.

### Re-Election of Directors

Directors, except those who are over 70 years of age are appointed by the Board and are eligible for re-election at the next Annual General Meeting by the shareholders.

### Annual Report

The Annual Report of the Company is the main document which corporate information are communicated to the Shareholders and other stakeholders. The Company discloses financial information together with auditor's report as well as non-financial information of the Company. EML also ensures that the disclosures as required under Companies Act and requirements of the CSE Lifting Rules are complied with in the Annual Report.

### Annual General Meetings

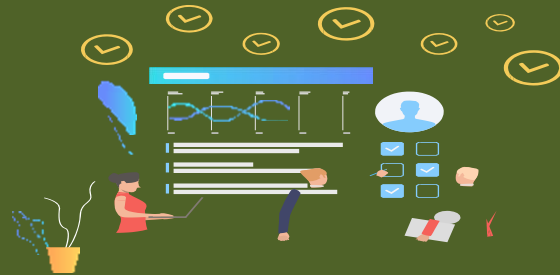
An Annual General Meeting of shareholders is held each year as required by the provisions of the Companies Act. No. 07 of 2007 The Shareholders have the opportunity to communicate directly with the Board of Directors, it is regarded as the most effective mode of communication with all Shareholders.

### Board Committees

Three Board Committees have been established by the Board to assist with discharging its duties and responsibilities effectively and efficiently. These committees are Audit Committee, Remuneration Committee and Related Party Transactions Review Committee which take care of key governance aspects of the Company. All the necessary information provided to these committees and when required enabling the execution of responsibilities assigned. The Board is also guided by the committees at times in relation to specific matters where expertise of the members is sought.

# 10 HUMAN CAPITAL

As a people centric operation, Human Capital plays a crucial role in our success. Hence, our investments in Human Capital are focused mainly on having the right people, with the right skill set, at the right time. Diversity brings innovative ideas, perspectives, and experiences in a welcoming environment with equal opportunities. We consider it is vital to respect the individuality of every person working with us and to embrace the opportunities that diversity in the workplace brings. Diversity and an inclusive workplace are critical to our Company, and we are taking extensive measures to ensure that the attitudes of openness and inclusivity are embedded at every level. The Company's training and development programs are key policy components of talent retention and ensuring a sustainable competitive advantage.



## KEY HIGHLIGHTS OF HUMAN POLICY

- Equal opportunities to all employees irrespective of demography and Gender
- Raising the standard of employees to promote them to next level
- Policies adhered to ensuring compliance
- Recognition, Reward and training
- High employee retention ratio
- Zero child labor

## CHALLENGES

- High cost of industry related training
- Increasing competition for skills
- High dependency on experience staff

## CURRENT BENEFITS

- Medical and workmen compensation insurance policy
- Open door culture
- Professional membership
- Quality and safety rule and regulations
- Training and development
- Provide Personal progress

## WAY FORWARD

*We entered 2024 facing numerous challenges, particularly the lasting impact of the local & global economic crisis on trade and business confidence in the past few years. Despite these difficulties, we successfully sustained our operations by leveraging the experience of our employees and implementing best management practices.*

*At EML, our commitment to people remains a cornerstone of our strategy. We continue to invest in Human Resource initiatives focused on training and development, rewards and recognition, leadership development, employee motivation, and knowledge sharing.*

*Understanding the economic pressures on employees, especially due to increased living costs, EML remains dedicated to supporting our workforce and helping them maintain a stable standard of living. Our focus will remain on fostering a resilient, empowered, and future-ready organization*



# 11 SUSTAINABILITY STRATEGY

## CORPORATE RESPONSIBILITY AND SUSTAINABILITY

As a responsible corporate citizen, EML has consistently contributed to building a sustainable business model that ensures the well-being of all stakeholders. The Company addresses social and environmental aspects through its core operations, aligning business practices with broader sustainability goals.

Several of EML's projects involve environmental impact assessments, and in such cases, the Company upholds the highest ethical standards, ensuring independence and transparency in reporting actual findings. As part of its commitment to environmental stewardship, EML has taken proactive measures to reduce energy consumption and minimize emissions, including the reduction of air conditioning and electricity usage as an initial step towards greener operations.

EML's socio-economic contributions continue through projects focused on rural community welfare, SME development, and infrastructure enhancement. These initiatives are aimed at generating long-term value and fostering inclusive growth. In delivering its services, EML is dedicated to providing practical and impactful solutions that directly benefit the communities it serves.

By maintaining high service standards and conducting its business with integrity, EML ensures that sustainable practices are deeply integrated into its day-to-day operations, reinforcing its role as a socially and environmentally responsible organization.



### KEY HIGHLIGHTS

- On-going focus on safety of surroundings
- Maintain close relationship with Clients
- Zero hazardous discharge to environment
- Proper waste management
- Continuous investment in our corporate social responsibility initiatives

### CHALLENGERS

- Rising cost and its impact on Stakeholders' affordability

### WAY FORWARD

- Continuous improvements to the waste management process
- Maintaining close relationship with local authorities
- On-going focus on community engagement initiatives

# 12 RISK MANAGEMENT REPORT

## Enterprise Risk Management Process Overview

Risks are associated with every business activity. It is the component, which has the potential to negatively affect business or an organization and the severity is measured in terms of the probability of occurrence and impact. Therefore, an integrated risk management framework has become a mandatory existence, which provides the guideline for managing risks. Managing risk is a key aspect of the Board's stewardship obligations and a component of the 'performance' dimension of Enterprise Governance. The risk management framework illustrates our approach to responding to risks, reflecting the risk management process, the structure in place to administer the process and sources of comfort with regard to its effectiveness.

## Risk management framework

EML's risk management framework aims at identifying, measuring and mitigating different risk categories namely Strategic, Operational, Compliance and Financial risks. The Board is responsible for ensuring effective risk management and acknowledges that the proper management of risk is a core leadership function that must be practiced throughout the Organization.

## Types of risks

Risks faced by the Company are of various nature and magnitude that broadly falls under three categories as identified by the management

- Industry and Macro-economic Risks
- Operational Risks
- Financial Risks

Considering the nature of the business that EML is in, industry and macroeconomic environment plays a key role.

## Industry and Macroeconomic Risks

**Stable flow of market opportunities is not guaranteed** – Service providers in the technical and management consultancy services industry depends on projects undertaken by State and Private Sector organizations. Therefore, the market is not stable and changes in the macro-economic environment plays a key role in rapidly changing the market dimensions. Accordingly, revenue flows of the company will depend on the extent of development projects available in the market. Furthermore, most of the projects are usually secured through a competitive bidding process hence all players operating in the market compete for available projects. Therefore, success rates are varying depending on each party's ability to place a competitive bid, in addition to managing costs and returns to a satisfactory level.

**Contraction in economies** – Slow-down in economic development has an impact on the launch of new projects, both from the State sector and Private sector due to limitation in capital availability and related risks. Furthermore, in a situation of a global economic recession, it could also have a negative impact on donor projects funded by regional and international agencies. Such a situation could lead to a drop in the number of projects undertaken by the Company, thereby reduce revenue flows.

**Changes in the political environment** – One of the main revenue sources for the Company is projects secured in Government funded development activities. Therefore, continuity in development projects undertaken by the

government is a key factor for revenue generation. In the event capital expenditure is reduced for infrastructure, economic and social development activities, the Company's business would be negatively impacted. Accordingly, the government's policy towards funding of such projects is important as far as EML's business is concerned.

Above identified macro factors are remote, hence the Company always attempt to manage the resources and costs during recession times. Variety of projects from donor agencies secured through long-established relationships assist to maintain cashflows and stay afloat if the public sector prospects are down.

### Operational Risks

**Variability in project timelines** – There could be instances where project timelines vary due to delays of project owners and other parties involved in a project. As the Company is only a single party to such projects, any delays caused by other parties are beyond the control of the company. Due to such variations of timelines, completion of project milestones may vary, hence revenue flows are subject to delays. Having a portfolio of different projects at a given time will assist the Company to mitigate these risks and manage cash flows effectively

**Involvement of third-party consultants** The Company's business model is as such, relevant experts are engaged depending on project specifications, where having full time consultants on permanent basis creates additional financial burden on the company. Project specifications are also varying from project to project; therefore, having relevant experts in the permanent staff is not viable. However, the captioned model may result in resource constraints at times, as there is a dependency on third parties for services. EML is in possession of partner entities that are capable of providing relevant services on projects, and long-standing business

relationships maintained with such partners mitigates aforesaid risks.

### Financial Risks

The risk of deviating actual results from budgets, drop in revenues causing lower margin, unforeseen cost escalations are among the key financial risks whilst incorrect reporting and misinterpretation of information could also lead to monetary risks.

The Company has implemented review and monitoring process to identify such risks and mitigate the impact if occurred. Internal controls are in place to ensure smooth day-to-day operations whilst transaction recording process is monitored to ensure availability of accurate information.

The management is focused on mitigating the impact of industry and macro-economic risks where the Company has no control over these elements.

# 13 AUDIT COMMITTEE REPORT

Audit Committee of EML assist the Board in implementing internal controls and ensures smooth functioning of the financial reporting system.

The Committee comprises of following Non-Executive Independent directors.

Mr. K.P.P.H. Mihiripenna - Chairman  
Mr. H.N.J.Chandrasekera – Member

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meetings and responsibilities of the Committee.

## Functions

The functions of the Audit Committee is to:

- Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of a Listed company, in accordance with Sri Lanka Accounting Standards.
- Overseeing of the company compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- Overseeing the processes to ensure that the Entity's internal controls and risk management, are adequate, to meet the requirements of the Sri Lanka Auditing Standards.
- Assess the independence and performance of the Company's external auditors.
- Make recommendations to the Board on the appointment of external auditors, their remuneration and their terms of appointment.

## Meetings

The Committee held 4 meetings during the year under review. The Managing Director, the Finance Manager were generally invited to attend audit committee meetings. Minutes of the meetings were tabled at meetings of the Board to ensure that all Directors were kept informed of the activities.

## Financial Statements and Related Disclosures

The Committee, in line with its responsibility to oversee the Company's process of financial reporting, reviewed the following areas to the extent it deemed necessary and appropriate, in discussion with the external auditors and the management:

I. Significant financial issues and judgements made in connection with the preparation of the Company's Financial Statements.

II. Consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards (SLFRS/LKAS).

III. Requirements of the Companies Act No 07 of 2007.

The Audit Committee has reviewed the Annual Financial Statements for the year ended 31st December 2024 before their issuance.

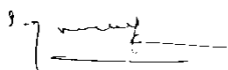
## External Auditors

The Audit Committee had communications with the External Auditors with regard to the improvements in the financial reporting and reviewed the Audited Financial Statements. The Committee ensured that the non-audit

services provided by the External Auditors did not impair their independence and objectivity and such services were assigned in a manner to prevent any conflict of interest. The Audit Committee has recommended to the Board of Directors that MGI KAL Rupasinghe & Company be continued as Auditors for the financial year ending 31 December 2025. The Committee has recommended to re-appoint the same auditor for the financial year 2025 subject to approval of shareholders at the next Annual General Meeting.

### Conclusion

The Audit Committee is satisfied regarding the reliability of financial reporting of the company, that the assets are safeguarded and that all relevant laws, rules, regulations, code of ethics and standards of conduct have been followed.



**K.P.P.H. Mihiripenna**  
**Chairman – Audit Committee**  
27th May 2025.

# 14 RELATED PARTY TRANSACTIONS

## REVIEW COMMITTEE REPORT

The Related Party Review Committee, appointed by and responsible to the Board of Directors, consists of two independent Non-Executive Directors, Mr.K.P.P.H. Mihiripenna and Mr H.N.J. Chandrasekera.

### The Objectives of The Committee

1. To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs" Other than those exempted by the CSE listing rules on the Related Party Transactions) of EML Consultants PLC are carried out and disclosed in a manner consistent with CSE Listing rules.
2. To advise and update the Board of Directors on related party transactions of EML Consultants PLC on quarterly basis.
3. To ensure compliance with the CSE listing rules on Related Party Transactions.
4. To review policies and procedures of Related Party Transactions of EML Consultants PLC.
5. To ensure shareholders' interests are protected and that fairness and transparency are maintained.

### Policies and Procedures Adopted by the Committee

Head of Finance is responsible for reporting the information set out under Listing Rules with regard to each related party transactions proposed to be entered into by the Company with the exception of information listed in section 9.14.10 of the listing rules for the committee to review and to grant approval or disapproval.

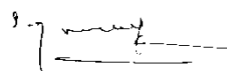
The Committee held 4 meetings during the year 2024. Committee had advised the Board and the management on the policies and procedures to be adopted in the forthcoming year. The

directors have disclosed the transactions with related parties in terms of Sri Lanka Accounting Standard (LKAS 24). All details of such related party transactions entered into during the year are given in Note 30 to the Financial Statements on page 65 to 66 of this Annual Report.

The committee has reviewed the related party transactions during financial year 2024 and has communicated the comments and observations to the Board of Directors as appropriate. The committee, having reviewed the related party transactions in note 30 of the audited financial statements, declares that there were no recurrent or non-recurrent transactions that exceed the respective thresholds stipulated in Section 9 of the CSE Listing Rules.

### Declaration

A declaration is given by the Board of Directors in the Annual Report on page 32 as a negative statement to the effect that no related party transaction falling within the ambit of Rule 9.3.2 of Listing Rules of the Colombo Stock Exchange was entered into by the Company during the year.



**K.P.P.H. Mihiripenna**

**Chairman – Related Party Transactions Review Committee.**

27th May 2025

## 15 REMUNERATION COMMITTEE REPORT

The Remuneration Committee of the Company is established to assist the Board relating to determination of the remuneration (cash and non-cash benefits) payable to the executive and non-executive directors of the Company.

The committee comprises of following non-executive independent directors:

Mr. H. N. J. Chandrasekera - Chairman

Mr. K. P. P. H. Mihiripenna - Member

### Report of the Remuneration Committee

The remuneration policy of the Company aims to maintain a balance between the performances and financial benefits paid to the executive and non-executive directors by providing a suitable remuneration. The policy has been formed for the best interest of the Company and its shareholders. The remuneration packages recommended by the Board are reviewed by the members of the Remuneration Committee to provide required guidance where necessary. The aggregate remuneration paid to Executive Director is set out under note 30.2.1 of the audited financial statements.

The committee met twice in financial year 2024 to discuss the matters and made relevant recommendations on the remuneration.



**Mr. H.N.J. Chandrasekara**  
**Chairman -Remuneration Committee.**  
27<sup>th</sup> May 2025



# 16 ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY.

The Directors are pleased to submit their report together with the audited financial statements of the Company, for the year ended 31st December 2024, to be presented at the 4<sup>th</sup> Annual General Meeting of the Company.

## Review of the Year

The Chairman's Review on pages 8 to 9 describes the Company's affairs and mentions important events that occurred during the year and up to the date of this Report. The Management Discussion and Analysis, Company Performance on pages 18 to 19 elaborate the financial results of the Company. These reports together with the Audited Financial Statements reflect the state of affairs of the Company.

## Principal Activities

The principal activity of the Company is to provide technical and management consultancy services.

## Financial Statements

The Financial Statements prepared in conformity with the Sri Lanka Accounting Standards and in compliance with the requirements of Section 151 of the Companies Act No. 07 of 2007 are given on pages 40 to 66 of this Annual Report.

## Independent Auditors' Report

The Auditors' Report on the Financial Statements is given on page 37 and 39 of this Annual Report.

## Accounting Policies

The accounting policies adopted in preparation of the Financial Statements are given on pages 44 to 55.

## Financial Results and Appropriations

Net Loss after Taxation of the Company for the year was LKR 8.08 Mn (2023 net loss - LKR 7.6 Mn)

## Property, Plant and Equipment

During the year under review, no major capital expenditure was incurred on Property, Plant and Equipment for the company.

Information relating to movement in Property, Plant and Equipment during the year is disclosed under Note 13 to the Financial Statements.

## Financial Assets

Details of financial assets held by the Company are given in Note 28 to the Financial Statements.

## Reserves

Accumulated Profit as at 31st December 2024 of the Company amounted to LKR 62.7 Mn (2023 - LKR 70.5 Mn), Revaluation reserve created from the revaluation of land and building amounted to LKR 41.2 Mn. The break-up and the movement are shown in the Statement of Changes in Equity in the Financial Statements.

## Stated Capital

The stated capital of the Company as at 31st December 2024 was LKR 90,900,000/- represented by 90,900,000 ordinary shares. The details of the stated capital are given in Note 19 of the Financial Statements on page No 60.



### Contingent Liabilities

There were no material contingent liabilities outstanding as at 31st December 2024 other than those reported in Note 26 to the Financial Statements.

### Material Issues Pertaining to Employees and Industrial Relations of the Company

The Company did not come across any material issues pertaining to employees and industrial relations during the year.

### Post-Balance Sheet Events

There were no material events occurring after the reporting date that require adjustments or disclosure in the Financial Statements.

### Directors' Responsibilities

The Statement of Directors' Responsibilities is given on page 36 of this Annual Report.

### Corporate Governance

The Company has complied with the Corporate Governance Rules laid down under the Listing Rules of the Colombo Stock Exchange. The Report on the Corporate Governance is given on pages 21 to 22 of this Annual Report.

### Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to all relevant regulatory and statutory authorities have been paid within the stipulated period.

### Interests Register

The Company has maintained an Interest Register as contemplated by the Companies Act No. 07 of 2007.

a. Directors' interest in contracts of the Company, both direct and indirect during the year under review, are included in Note 30.1 in the related party disclosures to the Financial Statements.

b. Details of shareholding of Directors are given under particulars of Directors' Shareholding on page 34.

### Board Committees

#### Audit Committee

Following are the names of the Directors comprising the Audit Committee of the Board:

Mr. K. P. P. H. Mihiripenna – Chairman  
Mr. H. N. J. Chandrasekera

The Report of the Audit Committee on pages 28 and 29 set out the manner of compliance by the Company in accordance with the requirements of Rule 9.19.6 of the Listing Rules of the Colombo Stock Exchange.

#### Remuneration Committee

Following are the names of the Directors comprising the Remuneration Committee of the Board:

Mr. H. N. J. Chandrasekera – Chairman  
Mr. K. P. P. H. Mihiripenna

The particulars of the Remuneration Committee are mentioned in the Report of the Remuneration Committee on page 31 in accordance with the requirements of Rule 9.19.5 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance. The details of the aggregate remuneration paid to the Executive and Non-Executive Directors during the financial year are given in Note 30.2.1 to the Financial Statements.

#### Related Party Transaction Review Committee

Following are the names of the Directors comprising Related Party Transaction Review Committee of the Board in accordance with the requirements of Rule 9.19.7 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

Mr. K. P. P. H. Mihiripenna – Chairman  
Mr. H. N. J. Chandrasekera

The particulars of the Related Party Transaction Review Committee are mentioned in the report of the Related Party Transaction Review Committee on page 30.

### Related Party Transactions

Transactions with related parties in terms of Sri Lanka Accounting Standard LKAS 24 – “Related Party Disclosures”, in Note 30 to the Audited Financial Statements.

There were no recurrent related party transactions which in aggregate value exceed 10% of the gross revenue/income as per the Audited Financial Statements of 2024. Furthermore, the Company has not entered into non-recurrent related party transactions during the year which in aggregate value exceed 10% of the equity or 5% of the total assets, whichever is lower, as per the latest Audited Financial Statements.

The Board of Directors of the Company declare that the Company has not entered in to any Related Party Transactions during the financial year which exceeds the thresholds specified in the CSE Listing Rules.

In terms of rule 9.19.7 of the listing rules of the Colombo Stock Exchange the Board confirms that the company has complied with all requirements pertaining to Related Party Transactions.

### Directors

The Directors of the Company during the year are as follows:

Name	Date of Appointment
Mr. Karunasena Hettiarachchi	5 <sup>th</sup> November 2021
Mr. Keerthi Prasanna Priyankara Hewa Mihiripenna	12 <sup>th</sup> July 2021
Mr. Tilak Hewawasam	22 <sup>nd</sup> March 2007
Mr. Hadapangodage Nandasiri Jayaraja Chandrasekera	29 <sup>th</sup> June 2018
Mr. Kaluachchigamage Avanthi Kumara Jayatilake	29 <sup>th</sup> January 2020

A brief profile of the Directors are given on pages 12 and 14 of this Annual Report.

Mr. Karunasena Hettiarachchi, Mr. Tilak Hewawasam, Mr. Hadapangodage Nandasiri Jayaraja Chandrasekera and Mr. Kaluachchigamage Avanthi Kumara Jayatilake who are over 70 years of age, retire by rotation in terms of section 211 of the companies Act No. 7 of 2007 and being eligible offer themselves for re-election.

### Directors' Shareholdings

The interest of the Directors in the shares of the Company as at 31st December 2024 were as follows:

Name of Director	No. of Ordinary Shares as at 31.12.2024
Mr. Karunasena Hettiarachchi	-
Mr. Keerthi Prasanna Priyankara Hewa Mihiripenna	-
Mr. Tilak Hewawasam	944,445
Mr. Hadapangodage Nandasiri Jayaraja Chandrasekera	-
Mr. Kaluachchigamage Avanthi Kumara Jayatilake	46,360,738

### Independence of Directors

Particulars of Independent Directors are mentioned under Corporate Governance Report on page 21 and 22.

## Share Information and Substantial Shareholdings

The distribution of shareholding, market value of shares and twenty largest shareholders are given on pages 68 and 69.

The earnings per share and net assets per share are given on page 69.

## Going Concern

The Directors, after making necessary inquiries and review of the financial position and future prospects of the Company, have a reasonable expectation that the Company has adequate resources to continue to be in operational existence for the foreseeable future. Therefore, the going concern basis is adopted in the preparation of the Financial Statements.

## Auditors

The resolutions to appoint the present Auditors, Messrs MGI KAL Rupasinghe & Company Chartered Accountants, who have expressed their willingness to continue in office, will be proposed at the Annual General Meeting.

The audit fees to the Auditors are disclosed on note no 08 in page no 56 of this Annual Report.

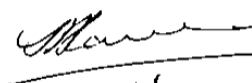
As far as the Directors are aware, the Auditors do not have any relationship on interest in the Company.

The Audit Committee reviews the appointment of the Auditors, its effectiveness and its relationship with the Company including the level of audit and non-audit fees paid to the Auditors. Details on the work of the Audit Committee are set out in the Audit Committee Report.

## Notice of Annual General Meeting

The Annual General Meeting will be held on 25<sup>th</sup> June 2025 at 10.00 a.m. at the Registered Office of the Company via virtual platform (Zoom). The Notice of the Annual General Meeting appears on page 72 of this Annual Report.

For and on behalf of the Board,



**Mr. Karunasena Hettiarachchi**  
**Chairman**  
27<sup>th</sup> May 2025

**Signed**  
**Business Intelligence (Pvt) Ltd.**  
**Secretaries**  
**EML Consultants PLC**  
27<sup>th</sup> May 2025  
**Colombo**

# 17 DIRECTORS RESPONSIBILITY STATEMENT

The responsibility of the Directors, in relation to the Financial Statements of EML Consultants PLC is set out in this Statement.

In terms of Section 150(1) and 151 of the Companies Act, No. 7 of 2007, the Directors of the Company are responsible for ensuring that the Company keeps proper books of accounts of all transactions and prepare Financial Statements that give a true and fair view of the financial position of the Company as at end of each financial year and place them before a general meeting. The Directors are also responsible to ensure that the financial statements comply with all regulations made under the Companies Act which specifies the form and content of financial statements and any other requirements which apply to the Company's financial statements under any other law.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records, which disclose the financial position of the Company with reasonable accuracy and enable them to ensure that the financial statements have been prepared and presented as aforesaid. They are also responsible for taking measures to safeguard the assets of the Company and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

It is also the responsibility of the Directors to ensure that the Company maintains proper accounting records and to take reasonable steps as far as practical, to ensure the accuracy and reliability of accounting records and to prepare Financial Statements using appropriate Accounting Policies applied consistently and supported by reasonable and prudent judgment and estimates, in compliance with the Sri Lanka and estimates, in compliance with the Sri Lanka

Accounting & Auditing Standards, the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange. Changes in the Accounting Policies where applicable and the rationale for the changes have been disclosed in the 'Notes to the Financial Statements.

The Directors have been responsible for taking reasonable measures and care to safeguard the assets of the Company and to prevent and detect frauds and other irregularities. The Directors have instituted an effective and comprehensive system of internal controls and an effective system of monitoring its effectiveness, internal audit being one of them. The Board has been provided additional assurance on the reliability of the Financial Statements through a process of independent and objective review performed by the Audit Committee.

The Directors continue to adopt the going concern basis in preparing the financial statements. The Directors, after making inquiries and review of the Company's Business Plan for the financial year 1st January 2024 to 31st December 2024, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

**BY ORDER OF THE BOARD  
EML CONSULTANTS PLC  
BUSINESS INTELLIGENCE (PVT) LIMITED**

**Signed.**  
**Company Secretary**  
Date: 27<sup>th</sup> May 2025



# 18 INDEPENDENT AUDITORS' REPORT

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF EML CONSULTANTS PLC

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of EML Consultants PLC ("the Company"), which comprise the Statement of Financial Position as at 31 December 2024, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants issued by Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>Recognition of Revenue</b>	
The Company provides consultancy services across various domains and recognizes revenue based on the achievement of specific contractual milestones. Revenue recognition involves significant management judgment in assessing when performance obligations are fulfilled, particularly in cases where the determination of milestone completion is subjective. This creates a risk of revenue being recognized prematurely or being misstated	<p>The audit procedures we undertook included the following:</p> <ul style="list-style-type: none"> <li>Reviewed the Company's accounting policies relating to revenue recognition for compliance with SLFRS 15 - Revenue from Contracts with Customers.</li> <li>Selected a sample of contracts and evaluated key terms to identify performance obligations and milestones.</li> <li>Tested the recognition of revenue for selected contracts by examining supporting documents (e.g., project completion certificates, client approvals) to verify milestone achievement.</li> <li>Performed cut-off procedures to ensure that revenue was recorded in the correct accounting period.</li> <li>Assessed the adequacy of disclosures in the financial statements related to revenue recognition.</li> </ul>

(Cont'd....)

Partners : Lakshman Rupasinghe FCA, Sisira Pushpakumara ACA, K.M. Anuradha ACA

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**INDEPENDENT AUDITOR'S REPORT (CONT'D....)****Other Information**

Management is responsible for the other information. The other information comprises the included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 determines 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 intends 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.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs 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 SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

(Cont'd...)



## INDEPENDENT AUDITOR'S REPORT (CONT'D....)

### Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd...)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

we communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

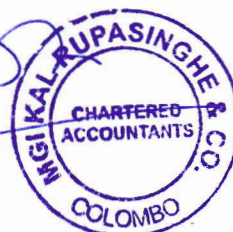
CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 942.

*Mgi Kal Rupasinghe*

**MGI KAL RUPASINGHE AND COMPANY**  
**CHARTERED ACCOUNTANTS**

Colombo

07<sup>th</sup> May 2025



# 19 STATEMENT OF COMPREHENSIVE INCOME

MGI KAL Rupasinghe & Company  
Chartered Accountants

EML Consultants PLC  
Statement of Comprehensive Income  
For the Year Ended 31st December

	Note	2024 Rs.	2023 Rs.
Revenue	5	116,575,223	90,054,222
Direct Costs	6	(79,661,371)	(53,107,452)
<b>Gross Profit</b>		<b>36,913,852</b>	<b>36,946,770</b>
Other Losses	7	(3,406,137)	(12,549,497)
Administrative Expenses		(46,103,499)	(45,610,213)
<b>Operating Loss</b>	8	<b>(12,595,784)</b>	<b>(21,212,940)</b>
Finance Income	9	7,910,157	14,190,636
Finance Costs	9	(919,933)	(1,430,181)
<b>Finance Income - Net</b>	9	<b>6,990,224</b>	<b>12,760,455</b>
<b>Loss Before Tax</b>		<b>(5,605,560)</b>	<b>(8,452,485)</b>
Income Tax (Expense) / Credit	10	(2,475,361)	812,765
<b>Loss for the Year</b>		<b>(8,080,921)</b>	<b>(7,639,720)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement (Loss) / Gain from Retirement Benefit Obligations	22	193,152	(2,412,054)
Change in Revaluation Surplus of Property, Plant and Equipment	20	-	58,869,038
Impact on Deferred Tax	10	(17,602,765)	723,616
<b>Other Comprehensive Income for the Year</b>		<b>(17,409,613)</b>	<b>57,180,600</b>
<b>Total Comprehensive (Loss) / Income for the Year</b>		<b>(25,490,534)</b>	<b>49,540,880</b>
<b>Loss Per Share - basic (Rs.)</b>	11	<b>(0.09)</b>	<b>(0.08)</b>

The accounting policies and notes on pages 07 to 29 form an integral part of these financial statements.

Colombo  
07th May 2025



# 20 STATEMENTS OF FINANCIAL POSITION


MGI KAL Rupasinghe & Company  
Chartered Accountants

EML Consultants PLC  
Statement of Financial Position  
As at 31st December

	Notes	2024 Rs.	2023 Rs.
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment - Freehold	13 (a)	100,789,632	102,621,845
Property, Plant and Equipment - Leasehold	13 (b)	2,014,045	6,799,586
<b>Total Non Current Assets</b>		<b>102,803,677</b>	<b>109,421,431</b>
<b>Current Assets</b>			
Trade and Other Receivables	14	39,737,653	17,921,741
Income Tax Recoverable	15	2,030,820	1,879,116
Financial Assets	16	117,173,078	118,177,015
Amount due from Related Parties	17	14,999,101	16,361,799
Cash and Cash Equivalents	18	6,893,355	10,044,310
<b>Total Current Assets</b>		<b>180,834,007</b>	<b>164,383,981</b>
<b>TOTAL ASSETS</b>		<b>283,637,684</b>	<b>273,805,412</b>
<b>Equity and Liabilities</b>			
<b>Capital and Reserves</b>			
Stated Capital	19	90,900,000	90,900,000
Revaluation Reserve	20	41,208,327	58,869,038
Retained Earnings		62,717,951	70,547,774
<b>Total Shareholders' Equity</b>		<b>194,826,278</b>	<b>220,316,812</b>
<b>Non Current Liabilities</b>			
Loans and Borrowings	21	417,033	2,491,657
Retirement Benefit Obligations	22	9,269,212	8,111,265
Deferred Tax Liabilities	23	21,041,114	962,988
<b>Total Non Current Liabilities</b>		<b>30,727,359</b>	<b>11,565,910</b>
<b>Current Liabilities</b>			
Loans and Borrowings	21	20,870,921	13,463,032
Trade and Other Payables	24	35,296,190	26,156,659
Amounts due to a Director	25	1,916,936	2,302,999
<b>Total Current Liabilities</b>		<b>58,084,047</b>	<b>41,922,690</b>
<b>Total Liabilities</b>		<b>88,811,406</b>	<b>53,488,600</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>283,637,684</b>	<b>273,805,412</b>

The accounting policies and notes on pages 07 to 29 form an integral part of these financial statements.

The Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

  
.....  
**Head of Finance**

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board.

  
.....  
**Director**  
Colombo  
07th May 2025

  
.....  
**Director**

## 21 STATEMENT OF CHANGES IN EQUITY

MGI KAL Rupasinghe & Company  
Chartered Accountants

EML Consultants PLC  
Statement of Changes in Equity  
For the year ended 31st December

	Notes	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31 December 2022		90,900,000	-	79,875,932	170,775,932
Loss for the year		-	-	(7,639,720)	(7,639,720)
<b>Other Comprehensive Income for the year</b>					
Remeasurement Gain from Retirement Benefit Obligations	22	-	-	(2,412,054)	(2,412,054)
Change in Revaluation Surplus of Property, Plant and Equipment	20	-	58,869,038	-	58,869,038
Impact on Deferred Tax	10	-	-	723,616	723,616
<b>Balance as at 31 December 2023</b>		<b>90,900,000</b>	<b>58,869,038</b>	<b>70,547,774</b>	<b>220,316,812</b>
Loss for the year		-	-	(8,080,921)	(8,080,921)
<b>Other Comprehensive Income for the year</b>					
Remeasurement Loss from Retirement Benefit Obligations	22	-	-	193,152	193,152
Impact on Deferred Tax	10	-	(17,660,711)	57,946	(17,602,765)
<b>Balance as at 31 December 2024</b>		<b>90,900,000</b>	<b>41,208,327</b>	<b>62,717,951</b>	<b>194,826,278</b>

The accounting policies and notes on pages 07 to 29 form an integral part of these financial statements.

Colombo  
07th May 2025

# 22 STATEMENTS OF CASH FLOWS

**MGI KAL Rupasinghe & Company**  
Chartered Accountants

**EML Consultants PLC**  
**Statement of Cash Flows**  
**For the year ended 31st December**

	Note	2024 Rs.	2023 Rs.
<b>Cash Flows From Operating Activities</b>			
Loss Before Tax		(5,605,560)	(8,452,485)
<b><u>Adjustments for:</u></b>			
Depreciation	8	5,784,183	6,603,462
Interest Income	9	(7,910,157)	(14,190,636)
Interest Expense	9	919,933	1,430,181
Disposal Gain on Property, Plant and Equipment	7	(5,589,530)	-
Provision for Retirement Benefit Obligation	22	1,351,099	1,173,902
Previous year adjustment - Tax	15	-	106,596
<b>Operating Loss Before Working Capital Changes</b>		<b>(11,050,032)</b>	<b>(13,328,980)</b>
<b>Changes in Working Capital:</b>			
- Trade and Other Receivable		-21,815,912	13,786,895
- Amounts Due From Related Parties		1,362,698	(106,456)
- Trade and Other Payables		9,139,532	(2,081,968)
- Amounts due to a Director		(386,063)	(97,372)
<b>Cash Used In Operations</b>		<b>(22,749,777)</b>	<b>(1,827,881)</b>
Interest Paid	9	(919,933)	(1,430,181)
Income Tax Paid	15	-	(2,098,268)
Withholding Tax Paid	15	(151,704)	(181,951)
Payment of Retiring Benefit Obligation	22	-	(573,250)
<b>Net Cash Used In Operating Activities</b>		<b>(23,821,414)</b>	<b>(6,111,531)</b>
<b>Cash Flows From Investing Activities</b>			
Purchase of Property, Plant and Equipment	13 (a)	(993,000)	(384,501)
Interest Received	9	7,910,157	14,190,636
Proceed from Property, Plant and Equipment		7,416,101	-
Proceed from Financial Assets		(12,020,542)	(67,677,977)
Withdrawal of Financial Assets		13,024,478	72,618,959
<b>Net Cash Generated From Investing Activities</b>		<b>15,337,194</b>	<b>18,747,117</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from Loans and Borrowings		738,137	738,137
Payment of Lease Liabilities		(3,927,598)	(3,291,930)
<b>Net Cash Used In Financing Activities</b>		<b>(3,189,461)</b>	<b>(2,553,793)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(11,673,681)</b>	<b>10,081,793</b>
Cash and Cash Equivalents at the Beginning of the Year		(126,822)	(10,208,615)
<b>Cash and Cash Equivalents at the End of the Year</b>	18	<b>(11,800,503)</b>	<b>(126,822)</b>

The accounting policies and notes on pages 07 to 29 form an integral part of these financial statements.

**Colombo**  
07th May 2025

# 23 NOTES TO THE FINANCIAL STATEMENTS

**MGI KAL Rupasinghe & Company**  
Chartered Accountants

**EML Consultants PLC**

**Significant Accounting Policies and Notes to the Financial Statement**

## 1 General information

EML Consultants PLC ("The Company") is a company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office and principal place of the Company is located at No 6/10, Rajamahavihara Road, Pitakotte, Sri Lanka.

The Company is engaged in the service of offering consultancy services in the categories of Engineering, Environment, Natural Sciences, Social Sciences, Technical Sciences, Technical, Financial and Management Services etc., to organizations within and outside Sri Lanka.

These financial statements have been approved for issue by the Board of Directors on 07th May 2025

## 2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The financial statements of the Company has been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements have been prepared under the historical cost convention except for financial assets and liabilities which are measured at fair value.

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (SLFRS/LKAS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are disclosed in Note 4 to the financial statements.

### 2.2 Changes in accounting policies and disclosures

The following amendments to the Sri Lanka Accounting Standards that are relevant for the preparation of the Company's financial statements have been adopted by the Company (a) new and amended standards that are effective for the first time during the current year and (b) new and revised standards in issue but not yet effective.

(a) New and amended accounting standards that are effective for the first time during the current year

In the current year, the Company has applied a number of amendments to Sri Lanka Accounting Standards issued by the CA Sri Lanka that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(i) Amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures on Supplier Finance Arrangements

The Company has adopted the amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures on Supplier Finance Arrangements for the first time in the current year

The amendments add a disclosure objective to LKAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, SLFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

(ii) Amendments to LKAS 1 Classification of Liabilities as Current or Non-current

The Company has adopted the amendments to LKAS 1, published in January 2020, for the first time in the current year

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**MGI KAL Rupasinghe & Company**
*Chartered Accountants*
**EML Consultants PLC**
**Significant Accounting Policies and Notes to the Financial Statement**
**2 Summary of Significant Accounting Policies (Cont'd...)**
**2.2 Changes in accounting policies and disclosures (Cont'd...)**

(a) New and amended accounting standards that are effective for the first time during the current year (Cont'd...)

(iii) Amendments to LKAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The Company has adopted the amendments to LKAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

It also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant.

after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

(iv) Amendments to SLFRS 16 Leases — Lease Liability in a Sale and Leaseback

The Company has adopted the amendments to SLFRS 16 for the first time in the current year.

The amendments to SLFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in SLFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in SLFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

A seller-lessee applies the amendments retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied SLFRS 16.

(b) New and revised accounting standards in issue but not yet effective

The following new accounting standards and interpretations are issued by IASB but not yet adopted by CA Sri Lanka.

(i) Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.



**MGI KAL Rupasinghe & Company**

*Chartered Accountants*

**EML Consultants PLC**

**Significant Accounting Policies and Notes to the Financial Statement**

## **2 Summary of Significant Accounting Policies (Cont'd...)**

### **2.2 Changes in accounting policies and disclosures (Cont'd...)**

(b) New and revised accounting standards in issue but not yet effective (Cont'd...)

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the Company anticipate that the application of these amendments may have/not have an impact on the Company's financial statements in future periods

(ii) Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The directors of the Company anticipate that the application of these amendments may not have an impact on the Company's financial statements in future periods.

(iii) IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- (a) present specified categories and defined subtotals in the statement of profit or loss
- (b) provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- (c) improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods

(iv) Annual improvements to IFRS – Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards;  
IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;  
IFRS 9 Financial Instruments;  
IFRS 10 Consolidated Financial Statements; and  
IAS 7 Statement of Cash Flows.

These annual improvements are effective for annual periods beginning on or after 1 January 2026 with earlier application permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

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**Significant Accounting Policies and Notes to the Financial Statement**

## 2 Summary of Significant Accounting Policies (Cont'd...)

### 2.3 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Sri Lanka Rupees, which is the Company's presentation currency.

Foreign exchange gains and losses are presented in the income statement within 'other income'.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in currencies other than the functional currency are recognised in the statement of comprehensive income.

### 2.4 Property, plant and equipment

All property, plant and equipment is stated at fair value less depreciation. The company assesses the fair value of its property, plant and equipment based on valuation determine by independent qualified valuers best estimate based on the market conditions which is the valuers' considered opinion meets the requirements in SLFRS-13 Fair Value Measurements.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of self-constructed assets include the cost of materials, direct labour and appropriate proportion of production overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Capital work in progress represents all amounts paid on work undertaken, and still in an unfinished state as at the end of the year.

Depreciation is calculated on the straight line method to allocate the cost of each asset, to their residual values over their estimated useful lives commencing from date of availability for use. On disposal of assets, depreciation ceases on the date that the asset is derecognised.

The principal annual rates used for this purpose are:

	%
Buildings and Improvements	5%
Motor Vehicles	20%
Office Equipment	33%
Computer Equipment	33%
Furniture and Fittings	33%

Leasehold improvements are depreciated over the lesser of useful economic life and lease period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income in the statement of comprehensive income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.



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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

## **2 Summary of Significant Accounting Policies (Cont'd...)**

### **2.5 Impairment of non-financial assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.6 Accounting for leases - where the Company is the lessee**

The Company leases various motor vehicles.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

## EML Consultants PLC

## Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)

## 2 Summary of Significant Accounting Policies (Cont'd...)

## 2.7 Financial assets

## (a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

## (b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

## (c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at Amortised cost. Interest income from these financial Assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on A debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

*Equity instruments*

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established.

**MGI KAL Rupasinghe & Company***Chartered Accountants***EML Consultants PLC****Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)****2 Summary of Significant Accounting Policies (Cont'd...)****2.7 Financial assets (Cont'd...)**

Changes in the fair value of financial assets at FVPL are recognised in other gains / (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(d) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**2.8 Financial liabilities****2.8.1 Classification and initial recognition**

Financial liabilities are initially recognised at fair value, net of transaction costs.

The Company's financial liabilities consist of trade and other payables. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

**2.8.2 Subsequent measurement**

Financial liabilities are subsequently carried at amortised cost using effective interest method.

**2.8.3 Derecognition**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

**2.8.4 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legal enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.9 Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

**2.10 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

**2.11 Stated capital**

Ordinary Shares are classified as equity.

**2.12 Employee benefits****(a) Defined contribution plans**

Defined contribution plan is a plan under which the Company pays a fixed contribution into a separate entity. All employees of the Company in Sri Lanka are members of the Employees' Provident Fund and Employees' Trust Fund, to which the Company contributes 15% and 3% respectively, of employees' basic or consolidated wage or salary. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

## **2 Summary of Significant Accounting Policies (Cont'd...)**

### **2.12 Employee benefits (Cont'd...)**

#### **(b) Defined benefit obligation**

A defined benefit plan is a plan that is not a defined contribution plan. Defined benefit plan defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Company pays gratuity to its eligible employees computed at one month's salary for each completed year of service, which exceeds the amount stipulated by the Gratuity Act, No. 12 of 1983, which is a defined benefit plan.

The liability recognised in the statement of financial position in respect of gratuity is the present value of the defined benefit obligation at the statement of financial position date together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds, as there is no deep market on high quality corporate bonds, by the actuarial valuer.

Past service costs are recognised immediately as an expense in the statement of comprehensive income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognised under other comprehensive income of the statement of comprehensive income.

The assumptions based on which the results of the actuarial valuation was determined, are included in Note 21 to the financial statements.

### **2.13 Current and deferred income tax**

The tax expense for the period comprises current and deferred tax.

The provision for current income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the tax laws enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax is recognised using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The principal temporary differences arise from depreciation on property, plant and equipment and defined benefit obligations.

### **2.14 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)

**2 Summary of Significant Accounting Policies (Cont'd...)****2.15 Revenue recognition**

Sales are recognised when the performance obligation is satisfied, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Goods and services deliverable under contracts with customers are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own or together with other resources that are readily available to the customer and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified.

The Company determines the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Company would achieve by selling the same goods and / or services included in the obligation to a similar customer on a standalone basis. Where the Company does not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Company maximises the use of external input; observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach. Payment of the transaction price is due immediately when the customer purchases the lubricants and takes delivery.

**(a) Consultancy Income**

Revenue is recognized upon the performance of consultancy services, net of sales taxes and discounts and matched with the associate costs and expenses

**(b) Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method unless collectability is in doubt.

**2.16 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

**2.17 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of EML Consultants PLC assesses the financial performance and position of the Company, and makes strategic decisions. The management, has been identified as being the chief operating decision maker. Authority is delegated down by the board to management consisting of the managing director and few other head of departments designated in the management team.

There are no significant separate operating segments within the Company.

**3 Financial risk management****3.1 Financial risk****3.1.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks. Market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial risks and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is performed by the management under policies approved by the board of directors. The board provides guidance for overall risk management.

The principal financial instruments of the Company comprise of short term deposits, money market investments, and cash. The main purpose of these finance instruments is to raise and maintain liquidity for the Company's operations, and maximise returns on the Company's financial reserves. The Company has various other financial instruments such as trade receivables and trade payables which arise directly from its business activities.

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

### **3 Financial risk management (Cont'd...)**

#### **3.1 Financial risk (Cont'd...)**

##### **3.1.1 Financial risk factors (Cont'd...)**

###### **(a) Market risk**

###### **(i) Foreign exchange risk**

The Company is principally exposed to fluctuations in the value of the Denominated Currency against the Sri Lankan Rupee (LKR). The Company's functional currency is LKR in which most of the transactions are denominated, and all other currencies are considered foreign currencies for reporting purposes. Certain bank balances, trade receivables, and trade payables are denominated in foreign currencies.

The Company's financial statements which are presented in LKR, are affected by foreign exchange fluctuations through both translation risk and transaction risk. Changes in foreign currency exchange rates may affect the Company's cost of materials purchased and services obtained from related companies in foreign currencies. In particular, depreciation of the LKR against the Denominated Currency can impact the Company's operating results through its impact on cost of imported raw materials.

###### **(b) Credit risk**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

###### **(i) Trade receivables**

The Company is responsible for managing and analysing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. The management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Management does not expect any losses from non-performance by these counterparties.

###### **(ii) Cash and cash equivalents**

The Company invests in government security and rated banks. The Company limits the concentration of financial exposure to any single financial institution.

###### **(iii) Risk exposure**

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions.

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Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)

### 3 Financial risk management (Cont'd...)

#### 3.1 Financial risk (Cont'd...)

##### 3.1.1 Financial risk factors (Cont'd...)

##### (b) Credit risk (Cont'd...)

##### (iii) Risk exposure (Cont'd...)

	2024	2023
	Rs.	Rs.
<b>Risk exposure</b>		
Trade and Other Receivables (excluding advances and prepayments)	39,467,653	17,499,241
Amounts due from Related Parties	14,999,101	16,361,799
Financial Assets - Fixed Deposits	117,173,078	118,177,015
Cash and Cash Equivalents	6,893,355	10,044,310
<b>Total credit risk exposure</b>	<b>178,533,187</b>	<b>162,082,365</b>

##### (c) Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash in hand at bank deemed adequate by the management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of available bank facilities. Access to source of funding is sufficiently available.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2024	2023
	Rs.	Rs.
Trade and Other Payables (excluding statutory liabilities)	25,861,786	17,317,175
Amounts due to Related Parties	1,916,936	2,302,999
Loan and Borrowings	2,594,096	5,783,557
Bank Overdrafts	18,693,858	10,171,132
	<b>49,066,676</b>	<b>35,574,863</b>

##### (d) Price risk

The Company is exposed to the commodity price risk pertaining to base oils.

The Company monitors price of base oils on a dynamic basis and manages procurement accordingly.

##### (e) Interest rate risk

The Company has cash and bank balances including deposits placed with government and creditworthy banks. The Company monitors interest rate risk by actively monitoring the yield curve trends and interest rate movements.

### 3.2 Fair value estimation

The Company's financial assets and liabilities include receivables, cash in hand and at bank, other payables and bank borrowings. Due to the short-term nature of the current receivables and payables, their carrying amount is considered to be the same as their fair value.

### 3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company represents equity attributable to owners of the Company, comprising issued stated capital and retained earnings.

The Company has not obtained any debt facilities (other than temporary bank overdrafts) to finance operations over the past 5 years.

## 4 Critical accounting estimates and judgements

### 4.1 Critical accounting estimates and assumptions

The Company makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.



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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**
**4 Critical accounting estimates and judgements (Cont'd...)**
**4.1 Critical accounting estimates and assumptions (Cont'd...)**
**(a) Estimated useful lives of property, plant and equipment (PPE)**

The Company reviews annually the estimated useful lives of PPE based on factors such as business plan and strategies, expected level of usage and future developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE would increase the recorded depreciation charge and decrease the PPE balance.

**(b) Defined benefit obligations**

The present value of the gratuity obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for gratuity include the discount rate. Any changes in these assumptions will impact the carrying amount of gratuity obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the gratuity obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for defined benefit obligations are based in part on current market conditions, additional information is disclosed in Note 22.

**(c) Impairment of trade receivables**

The Company applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the trade receivable.

**(d) Estimated impairment of non-current assets**

The Company reviews for impairment of property, plant and equipment in accordance with the Accounting Policy in Note 2.5. The recoverable amount of these assets have been determined based on higher of the assets' fair value less cost to sell and value in use. These calculations require the use of estimates and judgements.

Management believes that any reasonably possible change in the estimated future cash flows of the operations on which the recoverable amounts of the cash-generating units is based would not cause the cash-generating units' carrying amount to exceed its recoverable amount.

**4.2 Critical Judgements in applying the entity's accounting Policies**
**(a) SLFRS 16**
***Critical judgements in determining the lease term***

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of buildings and motor vehicles, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate), and
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset;

Most extension options in buildings and motor vehicles leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

	2024 Rs.	2023 Rs.
<b>5 Revenue</b>		
Income Related to Consultancy Services	118,046,997	90,054,222
Social Security Contribution Levy (SSCL)	(1,471,774)	-
	<b>116,575,223</b>	<b>90,054,222</b>
<b>6 Direct Costs</b>		
Costs Related to Consultancy Services	79,661,371	53,107,452
	<b>79,661,371</b>	<b>53,107,452</b>
<b>7 Other (Losses) / Income</b>		
Income From Excess Solar Energy Exported to LECO	2,945	84,585
Gain on Disposal of Motor Vehicle	5,589,530	-
Rental Income	622,235	146,895
Losses on Foreign Currency Exchange	(9,620,847)	(12,780,977)
	<b>(3,406,137)</b>	<b>(12,549,497)</b>
<b>8 Result from Operations</b>		
Directors' Remuneration	7,467,600	5,100,941
Auditors' Remuneration - audit	500,000	500,000
Auditors' Remuneration - non audit	-	-
Repair and Maintenance	1,879,235	230,663
Insurance	2,130,501	1,146,443
Depreciation on Property, Plant and Equipment	5,784,183	6,603,462
ROC and Listing Charges	135,624	341,226
Fuel Charges	3,712,959	3,114,386
Staff Salaries and Allowances	17,305,629	15,212,494
<b>9 Finance Income / (Costs)</b>		
<i>Finance income:</i>		
Interest Income	7,910,157	14,190,636
	<b>7,910,157</b>	<b>14,190,636</b>
<i>Finance costs:</i>		
Interest on borrowings	(371,910)	(603,347)
Lease Interest on Finance Leases	(440,797)	(738,138)
Bank Charges	(107,226)	(88,696)
	<b>(919,933)</b>	<b>(1,430,181)</b>
<b>Finance Income - Net</b>	<b>6,990,224</b>	<b>12,760,455</b>
<b>10 Income Tax Expense</b>		
Current Tax on profits for the year	-	-
Deferred Tax expense / (credit) for the year	2,475,361	(812,765)
<b>Income Tax Expenses</b>	<b>2,475,361</b>	<b>(812,765)</b>
<b>Statement of other comprehensive income</b>		
Deferred Tax effect on other comprehensive income	17,602,765	(723,616)
<b>Income tax credited to statement of comprehensive income</b>	<b>17,602,765</b>	<b>(723,616)</b>

The applicable tax rate on profit was 30%.

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

	2024 Rs.	2023 Rs.
<b>10 Income Tax Expense (Cont'd...)</b>		
The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate applicable to profits of the Company as follows:		
<b>Loss Before Tax</b>	<b>(5,605,560)</b>	<b>(8,452,485)</b>
Tax calculated at a tax rate of 30%	(1,681,668)	(2,535,746)
Expenses not deductible for tax purposes	(2,339,443)	(2,333,209)
Income not subjected to tax purposes	2,693,440	3,324,407
Adjustment due to changes in deferred tax base	3,803,032	731,783
<b>Tax Charge for the year</b>	<b>2,475,361</b>	<b>(812,765)</b>
<b>11 (Loss) / Earnings Per Share - basic (Rs)</b>		
Basic (loss) / earnings per share is calculated by dividing the (loss) / profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year:		
	<b>2024</b>	<b>2023</b>
(Loss) / Profit attributable to equity holders of the Company	(8,080,921)	(7,639,720)
Weighted average number of ordinary Shares in issue (Note 19)	90,900,000	90,900,000
<b>(Loss) / Earnings Per Share - basic (Rs.)</b>	<b>(0.09)</b>	<b>(0.08)</b>

**12 Dividends**

The Directors do not recommend that a dividend be paid in respect of the current financial year.

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Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)

13 (a) Property, Plant and Equipment - Freehold

	Balance as at 01.01.2024	Additions during the year	Disposal during the year	Balance as at 31.12.2024
At Cost / Valuation	Rs.	Rs.	Rs.	Rs.
Land	52,500,000	-	-	52,500,000
Buildings	49,800,000	-	-	49,800,000
Motor Vehicles	5,270,075	-	-	5,270,075
Office Equipments	1,957,410	-	-	1,957,410
Computer Equipments	12,190,664	173,000	-	12,363,664
Furniture and Fittings	3,436,857	820,000	-	4,256,857
<b>Total</b>	<b>125,155,006</b>	<b>993,000</b>	<b>-</b>	<b>126,148,006</b>
	Balance as at 01.01.2024	Charge for the year	Disposal during the year	Balance as at 31.12.2024
Depreciation	Rs.	Rs.	Rs.	Rs.
Buildings	-	2,490,000	-	2,490,000
Motor Vehicles	5,270,075	-	-	5,270,075
Office Equipments	1,952,911	4,499	-	1,957,410
Computer Equipments	11,890,160	124,969	-	12,015,129
Furniture and Fittings	3,420,015	205,745	-	3,625,760
<b>Total</b>	<b>22,533,161</b>	<b>2,825,213</b>	<b>-</b>	<b>25,358,374</b>
<b>Net Book Value of Assets</b>	<b>102,621,845</b>			<b>100,789,632</b>

13 (b) Property, Plant and Equipment - Leasehold

	Balance as at 01.01.2024	Additions during the year	Disposal during the year	Balance as at 31.12.2024
At Cost / Valuation	Rs.	Rs.	Rs.	Rs.
Motor Vehicles	20,450,902	-	(5,655,888)	14,795,014
<b>Total</b>	<b>20,450,902</b>	<b>-</b>	<b>(5,655,888)</b>	<b>14,795,014</b>
	Balance as at 01.01.2024	Charge for the year	Disposal during the year	Balance as at 31.12.2024
Depreciation	Rs.	Rs.	Rs.	Rs.
Motor Vehicles	13,651,316	2,958,970	(3,829,317)	12,780,969
<b>Total</b>	<b>13,651,316</b>	<b>2,958,970</b>	<b>(3,829,317)</b>	<b>12,780,969</b>
<b>Net Book Value of Assets</b>	<b>6,799,586</b>			<b>2,014,045</b>

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

	2024 Rs.	2023 Rs.
<b>14 Trade and Other Receivables</b>		
Trade Receivables	44,659,814	22,034,647
Impairment of Debtors	(6,167,117)	(6,167,117)
<b>Trade Receivables - Net</b>	<b>38,492,697</b>	<b>15,867,530</b>
Deposit and Prepayments [See Note (a) below]	270,000	422,500
Other Receivables [See Note (b) below]	974,956	1,631,711
	<b>39,737,653</b>	<b>17,921,741</b>
(a) Deposits and prepayments mainly consist of electricity deposit of Rs. 120,000/- (2023 - Rs. 120,000/-), fuel deposit of Rs. 150,000/- (2023 - Rs. 150,000/-).		
(b) Other receivables mainly consist of proposal bond Rs. 222,885/- (2023 - Rs. 0/-), Insurance Receivables Rs. 100,720/- (2023 - Rs. 0/-), Project Advance Rs. 40,000/- (2023 - Rs. 457,837/-) and Interest Income Receivable Rs. 577,291/- (2023 - Rs. 910,213/-)		
<b>15 Income Tax Receivables / (Payable)</b>		
Balance at the beginning of the year	1,879,116	(294,507)
Current Income Tax Charge	-	-
Previous year adjustment	-	(106,596)
	<b>1,879,116</b>	<b>(401,103)</b>
Income Tax Paid	-	2,098,268
Set-off with WHT Paid	151,704	181,951
<b>Balance at the end of the year</b>	<b>2,030,820</b>	<b>1,879,116</b>
<b>16 Financial Assets</b>		
Fixed Deposits in Foreign Currency	84,995,449	103,853,615
Fixed Deposits in Local Currency	32,177,629	14,323,400
	<b>117,173,078</b>	<b>118,177,015</b>
<b>17 Amount due from Related Parties</b>		
<i>Amounts Due from Related Companies</i>		
Dellogistics International (Private) Limited	12,196,751	11,731,094
Eco Tech Management (Private) Limited	-	2,220,001
Development Concepts (Private) Limited	729,005	142,083
International Institute for Development Transformation (Private) Limited	2,073,345	2,268,621
	<b>14,999,101</b>	<b>16,361,799</b>

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

	2024 Rs	2023 Rs
<b>18 Cash and Cash Equivalents</b>		
<i>Favourable Cash and Cash Equivalent Balances</i>		
<i>Foreign Saving Accounts</i>		
NDB USD - 106500000147	4,605,639	1,653,578
HNB USD - 043910090575	2,355	2,608
HNB USD - 043020115339	937,478	2,768,566
HNB CAD - 0430200114864	106,955	127,759
BOC AUD - 73581610	97,133	117,022
	<b>5,749,560</b>	<b>4,669,533</b>
<i>Local Saving Accounts</i>		
HNB Savings - 043020153367	1,019,788	474,967
NDB Savings - 106000331212	19,722	1,507,050
BOC Savings - 72791524	67,447	65,862
NDB MM A/C - 106090020393	-	3,143,182
	<b>1,106,957</b>	<b>5,191,061</b>
<i>Local Current Accounts</i>		
BOC C/A - 72504353	29,000	30,000
HNB C/A - 043010005102	-	21,395
NDB C/A - 101000029484	-	4,049
	<b>29,000</b>	<b>55,444</b>
<i>Cash in Hand</i>		
Petty Cash	7,838	128,272
	<b>7,838</b>	<b>128,272</b>
<b>Total Favourable Cash and Cash Equivalent</b>	<b>6,893,355</b>	<b>10,044,310</b>
<i>Unfavourable Cash and Cash Equivalent Balances</i>		
<i>Local Current Accounts</i>		
NDB C/A - 101000029484	8,152,936	-
HNB C/A - 043010005102	539,982	-
HNB C/A - 043010057211	10,000,940	10,171,132
<b>Total Unfavourable Cash and Cash Equivalent</b>	<b>18,693,858</b>	<b>10,171,132</b>
<b>Total Cash and Cash Equivalent for the Purpose of Statement of Cash</b>	<b>(11,800,503)</b>	<b>(126,822)</b>

## 19 Stated Capital

	Ordinary Shares	
	No. of Shares	Value of Shares Rs.
As at 31 December 2023	90,900,000	90,900,000
As at 31 December 2024	90,900,000	90,900,000

All issued shares are fully paid and do not have a par value.

	2024 Rs.	2023 Rs.
<b>20 Revaluation Reserve</b>		
Balance at the beginning of the year	58,869,038	-
Surplus on revaluation during the year	-	58,869,038
Recognition of deferred tax liabilities on revaluation	(17,660,711)	-
<b>Balance at the end of the year</b>	<b>41,208,327</b>	<b>58,869,038</b>

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Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)

	2024 Rs.	2023 Rs.
<b>21 Loans and Borrowings</b>		
<b>Non Current (due more than one year)</b>		
<i>Lease Creditors</i>		
CBK 0259	-	470,363
KT 7176	-	404,603
PG 5671	417,033	1,616,691
	<b>417,033</b>	<b>2,491,657</b>
<b>Current (due within one year)</b>		
<i>Lease Creditors</i>		
CBK 0259	598,535	939,588
KT 7176	-	773,784
PG 5671	1,578,528	1,578,528
	<b>2,177,063</b>	<b>3,291,900</b>
Bank Overdrafts	18,693,858	10,171,132
	<b>20,870,921</b>	<b>13,463,032</b>
<b>Total Borrowings</b>	<b>21,287,954</b>	<b>15,954,689</b>
<b>22 Retirement Benefit Obligations</b>		
<i>Statement of financial position obligation for:</i>		
- Gratuity benefits	<b>9,269,212</b>	<b>8,111,265</b>
<i>Income statement charge:</i>		
- Gratuity benefits	<b>1,351,099</b>	<b>1,173,902</b>
<i>Other comprehensive income:</i>		
- Remeasurement gain / (loss)	<b>(193,152)</b>	<b>2,412,054</b>
The movement in the Retirement Benefit Obligations over the year is as follows:		
At 01 January	8,111,265	5,098,559
Current service cost	479,138	505,682
Interest cost	871,961	668,220
Remeasurement (loss) / gain	(193,152)	2,412,054
Benefits paid	-	(573,250)
<b>At 31 December</b>	<b>9,269,212</b>	<b>8,111,265</b>
The amounts recognized in the statement of comprehensive income are as follows:		
Current service cost	479,138	505,682
Interest cost	871,961	668,220
	<b>1,351,099</b>	<b>1,173,902</b>
Retirement Benefit Obligations are valued using the Projected Unit Credit Method as at 31 December 2024 and the provision is not externally funded.		
The principal assumptions used in the calculation were as follows:		
Discount Rate	10.75%	29.79%
Expected Salary Increment Rate	7.50%	7.50%
Staff Turnover Rate	0.00%	7.50%



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Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)

	2024 Rs.	2023 Rs.		
<b>23 Deferred Income Tax Liabilities</b>				
Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate of 30% (2023 - 30%).				
The gross movement on the deferred income tax account is as follows:				
At beginning of year	962,988	2,499,369		
Charged / (Credited) to income statement	2,475,361	(812,765)		
Charged / (Credited) to other comprehensive income	17,602,765	(723,616)		
<b>At end of year</b>	<b>21,041,114</b>	<b>962,988</b>		
The analysis of deferred tax assets and deferred tax liabilities is as follows:				
<b>Deferred tax assets</b>				
- Deferred tax assets to be recovered after more than 12 months	(3,242,910)	(5,216,299)		
	<b>(3,242,910)</b>	<b>(5,216,299)</b>		
<b>Deferred tax liabilities</b>				
- Deferred tax liabilities to be recovered after more than 12 months	24,284,024	6,179,287		
	<b>24,284,024</b>	<b>6,179,287</b>		
	<b>21,041,114</b>	<b>962,988</b>		
<b>Deferred tax liabilities</b>				
	<b>Accelerated tax depreciation</b>	<b>Total</b>		
At 01 January 2023	3,476,363	3,476,363		
Credited to income statement	2,702,924	2,702,924		
<b>At 31 December 2023</b>	<b>6,179,287</b>	<b>6,179,287</b>		
Charged to income statement	444,026	444,026		
Charged to other comprehensive income statement	17,660,711	17,660,711		
<b>At 31 December 2024</b>	<b>24,284,024</b>	<b>24,284,024</b>		
<b>Deferred tax Assets</b>	<b>Retirement Benefit</b>	<b>Impairment of Debtors</b>	<b>Tax Losses</b>	<b>Total</b>
At 01 January 2023	713,798	263,196	-	976,994
Credited to income statement	995,966	1,586,939	932,784	3,515,689
Credited to other comprehensive income	723,616	-	-	723,616
<b>At 31 December 2023</b>	<b>2,433,380</b>	<b>1,850,135</b>	<b>932,784</b>	<b>5,216,299</b>
Credited / (Charged) to income statement	405,330	(1,850,135)	(470,638)	(1,915,443)
Credited to other comprehensive income	(57,946)	-	-	(57,946)
<b>At 31 December 2024</b>	<b>2,780,764</b>	<b>-</b>	<b>462,146</b>	<b>3,242,910</b>

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

	2024 Rs.	2023 Rs.
<b>24 Trade and Other Payables</b>		
Trade Payables	25,861,786	17,317,175
Provision for Labour Case	691,540	691,540
Provision for Legal Case - Vimalachandran	874,975	874,975
VAT Payable	2,891,797	1,716,727
Accrued Expenses [See Note (a) below]	4,976,092	5,556,242
	<b>35,296,190</b>	<b>26,156,659</b>

- (a) Accrued expenses mainly consists of Salary payable of Rs 2,161,161/- (2023 - Rs 1,708,110/-), EPF payable of Rs 475,000/- (2023 - Rs 410,952/-), ETF payable of Rs 71,250/- (2023 - Rs 61,643/-), Audit fee payable of Rs 500,000/- (2023 - Rs 500,000/-), PAYE payable of Rs 652,934/- (2023 - Rs 609,395/-) and Retainer fee payable of Rs 390,000/- (2023 - Rs 640,117/-).

	2024 Rs.	2023 Rs.
<b>25 Amounts Due to a Director</b>		
<i>Director</i>		
Mr. K. A. K. Jayatilake	1,916,936	2,302,999
	<b>1,916,936</b>	<b>2,302,999</b>

## **26 Contingent Liabilities and Assets**

### **26.1 Contingent Liabilities**

A case has been filed at the Anuradhapura Labour Tribunal against EML by a consultant that was retained on fee basis for a specific project, however claiming for EPF/ETF (Case No 27/Anu/2546/2020). The case is only partly heard and pending for further hearing where the dates have not been fixed yet.

### **26.2 Contingent Assets**

There is no contingent asset as at the statement of financial position date.

## **27 Commitments**

### **27.1 Capital commitments**

There were no material capital commitments outstanding as at the statement of financial position date.

### **27.2 Financial commitments**

There were no material financial commitments outstanding as at the statement of financial position date.

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

	2024 Rs.	2023 Rs.
<b>28 Financial Instruments by category</b>		
<b>a) Financial assets - at amortised cost</b>		
Trade and Other Receivables (excluding advances and prepayments)	39,467,653	17,499,241
Amounts due from Related Parties	14,999,101	16,361,799
Financial Assets - Fixed Deposits	117,173,078	118,177,015
Cash and Cash Equivalents	6,893,355	10,044,310
	<b>178,533,187</b>	<b>162,082,365</b>
<b>b) Financial liabilities - at amortised cost</b>		
Trade and Other Payables (excluding statutory liabilities)	25,861,786	17,317,175
Amounts due to Related Parties	1,916,936	2,302,999
Loand and Borrowings	2,594,096	5,783,557
Bank Overdrafts	18,693,858	10,171,132
	<b>49,066,676</b>	<b>35,574,863</b>
<b>c) Credit quality of financial assets</b>		
The credit quality of financial assets that are neither past due nor impaired and past due but not impaired can be assessed by historical information about counterparty default rates of trade and related party receivables or external credit rating with reference to financial institutions:		
<b>Trade receivables:</b>		
Local Customers	44,659,814	22,034,647
	<b>44,659,814</b>	<b>22,034,647</b>
Counterparties without external credit rating:		
Group 1	34,163,803	22,034,647
Group 2	10,496,011	-
Group 3	-	-
<b>Total unimpaired trade and related party receivables</b>	<b>44,659,814</b>	<b>22,034,647</b>
Group 1 – customers / related parties (less than 6 months).		
Group 2 – customers / related parties (more than 6 months) with no defaults in the past.		
Group 3 – customers / related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered.		
<b>Cash and Cash Equivalent:</b>		
A+	4,625,361	6,307,859
AA-	2,066,576	3,395,295
B-	193,580	212,884
Cash in Hand	7,838	128,272
	<b>6,893,355</b>	<b>10,044,310</b>
<b>Financial Assets (Short Term Investment):</b>		
A+	84,995,449	103,853,615
AA-	-	-
	<b>84,995,449</b>	<b>103,853,615</b>

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**Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)**

## 29 Events after the end of reporting date

The have been no material events occurred between statement of financial position date and the date on which the financial statements are authorized for issue that required adjustments to or disclosures in the financial statements.

## 30 Directors interest in contracts with the company and related party transactions

### 30.1 Director interest in contracts

The directors of the Company are also directors of following companies with which the Company had transactions in the ordinary course of business during the year.

	Mr. K.A.K Jayatilake	Mr. H.N.J Chandrasekara
Dellogistics International (Pvt) Ltd	✓	×
Eco Tech Management (Pvt) Ltd	✓	×
Thilina Bookshop - Proprietor	✓	×
International Institute for Development Transformation (Pvt) Ltd	✓	×
Zeneth BPO (Private) Limited	✓	✓
TEDHA (Pvt) Ltd	✓	×
Sustainable Agenda (Pvt) Ltd	✓	×
Sustainable Engineering Concept (Pvt) Ltd	✓	×
	2024	2023
	Rs.	Rs.

### 30.2 Related party transactions

*The following transactions were carried out with related parties under normal commercial terms:*

#### 30.2.1 Key management compensation

Key management includes members of the Board of Directors of the Company. The compensation paid or payable to key management for employee services is shown below:

Remuneration paid	7,467,600	5,100,941
	<b>7,467,600</b>	<b>5,100,941</b>

#### 30.2.2 Interest charges for loan given to Related Party

Dellogistics International (Private) Limited	2,115,390	2,105,492
	<b>2,115,390</b>	<b>2,105,492</b>

#### 30.2.3 Interest received from related party for loan

Dellogistics International (Private) Limited	1,756,967	2,085,000
	<b>1,756,967</b>	<b>2,085,000</b>

MGI KAL Rupasinghe & Company  
Chartered Accountants

EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Cont'd...)

**30 Directors interest in contracts with the company and related party transactions (Cont'd...)**

**30.2 Related party transactions (Cont'd...)**

**30.2.4 Expense made by the Company on behalf of the Related Parties**

Mr. K. A. K. Jayatilake

International Institute for Development Transformation (Private) Limited

2024	2023
Rs.	Rs.
386,062	97,372
1,528,684	500,122
<b>1,914,746</b>	<b>597,494</b>

**30.2.5 Payment received from related parties**

International Institute for Development Transformation (Private) Limited

Eco Tech Management (Private) Limited

1,475,804	722,730
2,220,001	1,192,614
<b>3,695,805</b>	<b>1,915,344</b>

**30.3 Outstanding balance arising from above transactions;**

**(a) Amounts Due from Related Parties:**

Dellogistics International (Private) Limited

Eco Tech Management (Private) Limited

International Institute for Development Transformation (Private) Limited

12,196,751	11,731,094
-	2,220,001
2,073,345	2,268,621
<b>14,270,096</b>	<b>16,219,716</b>

**(b) Amounts Due to Directors**

Mr. K. A. K. Jayatilake

1,916,936	2,302,999
<b>1,916,936</b>	<b>2,302,999</b>

# 24 FIVE YEARS FINANCIAL SUMMARY

## EML CONSULTANTS PLC Statement of Comprehensive Income For the Year Ended 31st December

	2020	2021	2022	2023	2024
	Rs	Rs	Rs	Rs	Rs
Revenue	133,740,943	110,497,518	132,482,840	90,054,222	116,575,223
Direct Cost	(102,776,025)	(72,872,968)	(85,969,316)	(53,107,452)	(79,661,371)
Gross profit	30,964,918	37,624,550	46,513,524	36,946,770	36,913,852
Earnings before interest and tax	9,196,083	8,383,555	61,308,387	(21,212,940)	(12,595,784)
(Loss) / profit before tax	9,538,633	8,294,221	62,136,440	(8,452,485)	(5,605,560)
Income tax	(712,698)	(951,950)	(1,566,668)	812,765	(2,475,361)
(Loss) / Profit for the year	8,825,935	7,342,271	60,569,772	(7,639,720)	(8,080,921)

## EML CONSULTANTS PLC Statement of Financial Position As at 31st December

	2020	2021	2022	2023	2024
	Rs	Rs	Rs	Rs	Rs
Total Non-current assets	61,918,965	63,445,193	56,771,354	109,421,431	102,803,677
Total current assets	132,133,991	133,247,289	182,059,463	164,383,981	180,834,007
<b>Total Assets</b>	<b>194,052,956</b>	<b>196,692,482</b>	<b>238,830,817</b>	<b>273,805,412</b>	<b>283,637,684</b>
Stated capital	90,900,000	90,900,000	90,900,000	90,900,000	90,900,000
Retained earnings	11,101,481	16,067,788	79,875,932	129,416,812	103,926,278
Total Shareholder's funds	102,001,481	106,967,788	170,775,932	220,316,812	194,826,278
Total Non-current liabilities	12,362,716	16,903,154	12,643,378	11,565,910	30,727,359
Total Current liabilities	79,688,759	72,821,540	55,411,507	41,922,690	58,084,047
Total Liabilities	92,051,475	89,724,694	68,054,885	53,488,600	88,811,406
<b>Total Equity and Liabilities</b>	<b>194,052,956</b>	<b>196,692,482</b>	<b>238,830,817</b>	<b>273,805,412</b>	<b>283,637,684</b>



# 25 SHARE AND OTHER INFORMATION

## 1. Stock Exchange Listing

The Company's shares are listed on the Empower Board of the Colombo Stock Exchange

## 2. Distribution of shareholders

### Analysis of Share Holders According to the No Of Shares[Local/Foreign] 31.12.2024

Description	Local Holders	Foreign Holders	Local Shares	Foreign Shares	Local %	Foreign %
1 To 1000 Shares	650	0	188,849	0	0.21%	0.00%
1001 To 10000 Shares	630	0	2,859,560	0	3.15%	0.00%
10001 To 100000 Shares	435	1	15,121,875	90,000	16.64%	0.10%
100001 To 1000000 Shares	93	1	20,380,060	148,925	22.42%	0.16%
Over 1,000,001 shares	5	0	52,110,731	0	57.33%	0.00%
	<b>1813</b>	<b>2</b>	<b>90,661,075</b>	<b>238,925</b>	<b>99.74%</b>	<b>0.26%</b>

### Analysis of Share Holders According to the No Of Shares[Company /Member ] 31.12.2024

Description	Company	Member	Company Shares	Member Shares	Company %	Member %
1 To 1000 Shares	6	644	209	188,640	0.00%	0.21%
1001 To 10000 Shares	23	607	131,713	2,727,847	0.14%	3.00%
10001 To 100000 Shares	48	388	1,898,888	13,312,987	2.09%	14.65%
100001 To 1000000 Shares	16	78	3,787,223	16,741,762	4.17%	18.42%
1000001 To 10000000	1	4	1,515,835	50,594,896	1.67%	55.66%
	<b>94</b>	<b>1721</b>	<b>7,333,868</b>	<b>83,566,132</b>	<b>8.07%</b>	<b>91.93%</b>

### 3. Top 20 Shareholders as at 31<sup>st</sup> December 2024

#### EML CONSULTANTS PLC

##### TOP 25 SHAREHOLDER LIST AS AT 31.12.2024

Serial	Name of shareholder	No of Shares	%
1	MR. KALUACHCHIGAMAGE AVANTHI KUMARA JAYATILAKE	46,360,738	51.00%
2	MR. KANDE GAMARALALAGE CHANDRAJITH SHALIKA KULATHISSA	1,761,303	1.94%
3	SAMPATH BANK PLC/MR. LLEWELLYN ALPHONSUS JOSEPH FIEDELIS MORAIS	1,515,835	1.67%
4	MR. WICKRAMA ARACHCHI APPUHAMILAGE THAMASH MADUSHAN JAYAWICKRAMA	1,412,813	1.55%
5	MR. MOHAMED THASEEN RAJAB KHAN	1,060,042	1.17%
6	Mr. TILAK HEWAWASAM	944,445	1.04%
7	MERCHANT BANK OF SRI LANKA & FINANCE PLC 01	850,000	0.94%
8	MR. DARANAKUMBURALAGE SHALIKA RANGAJITH DARANAKUMBURA	568,813	0.63%
9	MS. MADANASINGHE IMANDIE THANUDARA	549,136	0.60%
10	MERCHANT BANK OF SRI LANKA & FINANCE PLC/P. PRIYANTHA	520,000	0.57%
11	MR. SENAWIRATHNA EPARALALAGE CHATHURANGA PRABHATH SENAWIRATHNA	490,000	0.54%
12	MR. ABEYSIRI HEMAPALA MUNASINGHE	455,000	0.50%
13	DFCC BANK PLC/K.G. GEEKIYAYANA	401,022	0.44%
14	MR. ANGODAGE UPUL SAMAN PRIYANTHA PERERA	400,000	0.44%
15	MRS. RAJAPAKSHA ARACHCHILAGE CHAMALI IROSHIKA	363,850	0.40%
16	MRS. ACHINI KAVISHA GUNAWARDHANA RATHNAYAKA MUDIYANSELAGE	327,559	0.36%
17	MR. KALANA GAYAN GEEKIYANA	325,808	0.36%
18	MR. CHANDRANATH RAJEENDRA NARANGODA	321,000	0.35%
19	MR. NANAYAKKARA HIGURUDUWE KANKANANGE CHANDIKA KUMARA	320,000	0.35%
20	MRS. GNEI SHAHIRA DEEN	310,001	0.34%
		<b>59,257,365</b>	<b>65.19%</b>

### 4. Market Prices of shares during 2024

	Rs.
Highest Market price per Share	4.60
Lowest Market price per Share	2.90
Last Traded Price per Share	4.10
(Loss)/Earnings Per Share 2024 (LKR)	(0.09)
Net assets value per shares (LKR)	2.14

### 5. Details of properties held by the Company

The Company owns a land and building situated at 6/10, Rajamahavihara Road, PitaKotte, Sri Lanka. Land is with an Extent of -15 perches and the building consists of 8,215 sqft.

## 26 CORPORATE INFORMATION

<b>Company</b>	E M L Consultants PLC
<b>Registered Office</b>	6/10, Rajamahavihara Road, Pita Kotte, Sri Lanka Tel: +94 11 5535880 Fax: +94 11 2854762 Email : info@emlconsultants.com Web: www.emlconsultants.com
<b>Date, Place and Authority of Incorporation</b>	Incorporated as a Private Limited Liability company on 10 <sup>th</sup> March 1993 under the name of Environment and Management Lanka (Private) Limited, under the Companies Act No. 17 of 1982. Name of the Company has been changed to E M L Consultants (Private) Limited on 23 <sup>rd</sup> April 2007.  The Company was re-registered under Companies Act No. 07 of 2007 on 14 <sup>th</sup> January 2008. The Company has changed its status to a Limited Liability Company on 9 <sup>th</sup> June 2021 and 09 <sup>th</sup> November 2021 as Public Quoted company in terms of Companies Act No. 7 of 2007 - incorporated in Colombo
<b>Company Registration Number</b>	PQ 00240481
<b>Board of Directors</b>	Mr.K.Hettiarachchi –Chairman - Non-Executive, Non-Independent Director Mr. K. A. K. Jayatilake – Managing Director, Executive Director Mr. Thilak Hewawasam - Non-Executive, Non-Independent Director Mr. H. N. J. Chandrasekera – Non Executive Independent Director Mr. K.P.P.H. Mihiripenna - Non-Executive Independent Director
<b>Company Secretary and Registrars</b>	Business Intelligence (Pvt) Limited No 10, Gothami Road, Colombo 08. Tel – 00 94 11 2015913 (Dir), 2015900 (Gen) Fax – 00 94 11 201596
<b>Company Lawyer</b>	Kularatne & Pieris Associates – Attorneys at Law and Notaries Public No 4/2, D. J. Wijesiriwardana Road, Mount Lavinia Tel: 077 7759297 (Resigned w.e.f.30.04.2025)
<b>Auditors to the Company</b>	MGI KAL Rupasinghe & Co., Chartered Accountants No. 31/1, Dudley Senanayake Mawatha, Colombo 08 Tel: 011 2815655 Fax: 011 2199819

<b>Tax Identification Number</b>	114106933
<b>Bankers:</b>	<p>National Development PLC Colombo 7 Branch, No.103A, Dharmapala mw, Colombo 7.</p> <p>Hatton National Bank PLC Kirupalone Branch, No.22, Edmonton Rd, New Baseline Road Colombo 06.</p> <p>Bank of Ceylon Regent Street Branch, Colombo 10.</p>

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# 27 NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN** that the **4<sup>th</sup> Annual General Meeting** of EML Consultants PLC will be held on **25<sup>th</sup> June 2025 at 10 a. m** at the registered office of the Company **via virtual platform (Zoom)** for the following purposes:

**1. To receive and consider the Annual Report of the Board of Directors** on the affairs of the Company for the year ended 31<sup>st</sup> December 2024 and the Report of the Auditors thereon.

**2.Re-elect the following Directors in terms of section 211 of the Companies Act no 7 of 2007.**

a.) Mr. Karunasena Hettiarachchi, who is over 70 years of age as a Director. Accordingly, the following resolution to be passed for this purpose, if thought fit.

**IT IS HEREBY RESOLVED** that Mr. Karunasena Hettiarachchi, who is over 70 years of age be and hereby is re-elected as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years in terms of section 210 shall not apply to the said Mr. Karunasena Hettiarachchi.

b) Mr. Tilak Hewawasam , who is over 70 years of age as a Director. Accordingly, the following resolution to be passed for this purpose, if thought fit.

**IT IS HEREBY RESOLVED** that Mr. Tilak Hewawasam, who is over 70 years of age be and hereby is re-elected as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years in terms of section 210 shall not apply to the said Mr. Tilak Hewawasam.

c) Mr. Hadapangodage Nandasiri Jayaraja Chandrasekera, who is over 70 years of age as a Director. Accordingly, the following resolution to be passed for this purpose, if thought fit.

**IT IS HEREBY RESOLVED** that Mr. Hadapangodage Nandasiri Jayaraja Chandrasekera, who is over 70 years of age be and hereby is re-elected as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years in terms of section 210 shall not apply to the said Mr. Hadapangodage Nandasiri Jayaraja Chandrasekera.

d) Mr. Kaluachchigamage Avanthi Kumara Jayatilake, who is over 70 years of age as a Director. Accordingly, the following resolution to be passed for this purpose, if thought fit.

**IT IS HEREBY RESOLVED** that Mr. Kaluachchigamage Avanthi Kumara Jayatilake, who is over 70 years of age be and hereby is re-elected as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years in terms of section 210 shall not apply to the said Mr. Kaluachchigamage Avanthi Kumara Jayatilake.

**3.Re-appoint the retiring Auditors**, M/s. MGI KAL Rupasinghe & Company Chartered Accountants for the ensuing year and to authorize the Directors to determine their remuneration.

By Order of the Board,

**EML CONSULTANTS PLC**  
**BUSINESS INTELLIGENCE (PRIVATE) LIMITED**

**Signed**  
**Secretaries**  
**27.05.2025**

## Notes:

1. *A member entitled to attend and vote at the above meeting is required to complete and submit a pre- registration form in order to ensure participation at the AGM of the Company. Only members of EML are entitled to take part at the AGM of EML.*
2. *A Pre-registration form is enclosed for this purpose to be completed by EML Shareholders only.*
3. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
4. *A form of proxy is enclosed for this purpose.*
5. *The form of proxy must be completed and deposited at the Registered office of the Company, No. 6/10, Rajamaha Vihara Road, Pita Kotte, or e-mailed to "[samanga@msl.lk](mailto:samanga@msl.lk) or [indika@emlconsultants.com](mailto:indika@emlconsultants.com)" not less than forty eight hours prior to the time appointed for holding the meeting.*



(Annexure I)

NIC/P. P/Co. Reg. Number

## 28 Form of Proxy

I/We the undersigned.....

Bearing NIC No....., of.....

.....being a member/members of EML Consultants PLC, hereby appoint

- Full name of proxy - .....
- NIC of Proxy - .....
- Address of Proxy - .....
- Contact Numbers - Land ..... Mobile.....  
Email address .....

as my/our proxy to represent me/us and to vote for me/us on my/our behalf at the Annual General Meeting to be held on **25th June 2025 at 10.00 a.m.** at the Registered Office of the Company via Virtual Platform (Zoom) and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Please mark your preference with "X".

### Ordinary Resolution

1. Re- election of Directors in terms of Section 211 of the Companies Act No. 7 of 2007

(i) Mr. Karunasena Hettiarachchi as a Director of the Company

(ii) Mr. Tilak Hewawasam as a Director of the Company

(iii) Mr. H. N. J. Chandrasekera as a Director of the Company

(iv) Mr. K. A. K. Jayatilake as a Director of the Company

2. To re-appoint the retiring auditors M/s. MGI KAL Rupasinghe &amp; Company Chartered Accountants for the ensuing year and authorize Directors to determine their remuneration.

For Against Abstained

☐ ☐ ☐
☐ ☐ ☐
☐ ☐ ☐
☐ ☐ ☐
☐ ☐ ☐

As witness my/our hands this ..... day of 2025

.....

Signature

**INSTRUCTIONS AS TO COMPLETION**

1. In order to appoint a proxy, this form shall in the case of an individual be signed by the shareholder or by his/her Attorney and in the case of a company/corporation, the form of proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
2. The full name, NIC No. and address of the Proxy holder and of the Shareholder appointing the Proxy holder should be entered legibly in the form of proxy.
3. The duly completed form of proxy must be deposited at the Registered Office of the Company at No. 6/10, Rajamaha Vihara Road, Pita Kotte or e-mailed to "[samanga@msl.lk](mailto:samanga@msl.lk)" or [indika@emlconsultants.com](mailto:indika@emlconsultants.com)" not later than 48 hours prior to the time appointed for holding of the meeting.
4. In the case of a proxy signed by an Attorney, the relevant Power-of-Attorney or a certified copy thereof should also accompany the completed form of proxy and must be deposited at the Registered Office of the Company or email as above noted.