



EML Consultants PLC.

ANNUAL REPORT

2023

EML Consultants PLC.

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1 VISION & MISSION

OUR VISION

To be the leading internationally recognized consultant in the region supporting sustainable development initiatives.

OUR MISSION

Timely delivery of professional services through the adoption of unique, efficient and innovative approaches leading to the creation of pragmatic strategies ultimately providing creative value addition to the client both locally and globally

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 30 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

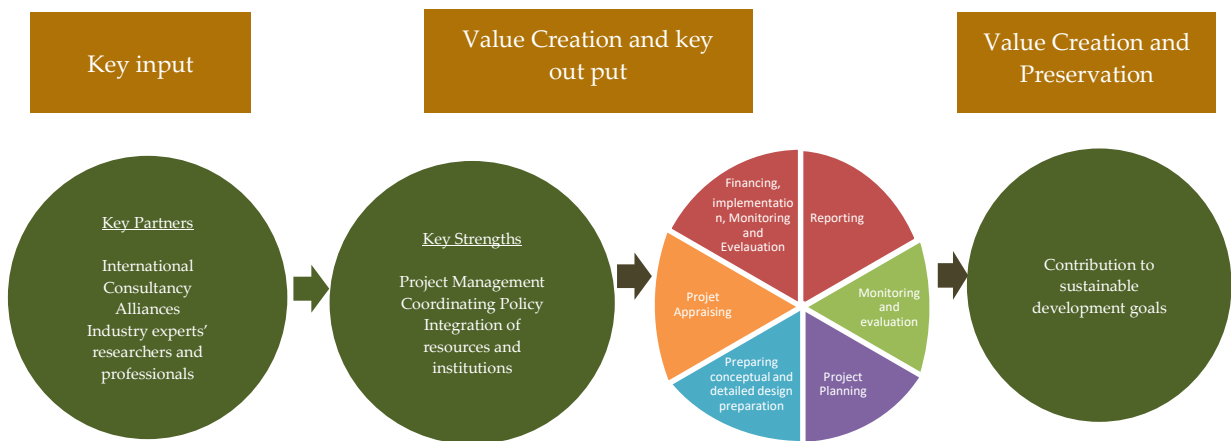
EML Strategy

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.



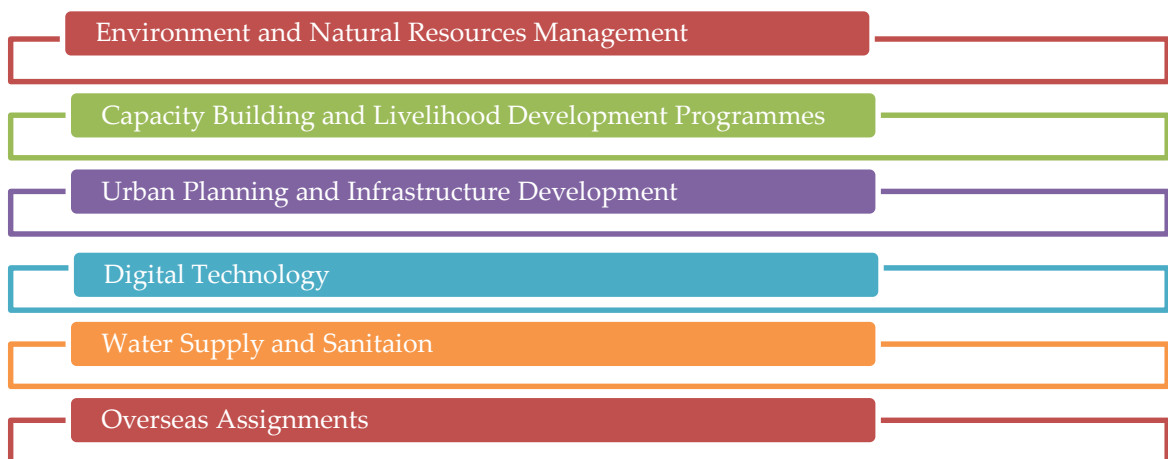
EML Project scope



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 were resilient to the vulnerable external environment in 2023 and now geared to make use of the improving conditions in the country to bounce back to our usual business levels

Resilience and innovative spirit were the hallmarks of the year 2023, 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 2023. The inherent challenges of the local and global context in 2023 called for a gear shift in our business approach that pivoted on our fundamental values of integrity and expertise. Signs of recovery loomed around us towards the latter part of 2023 that 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 2023 on behalf of the Board of Directors.

Macroeconomic backdrop

The global economy continued to experience the setback with the lowered trade and demand with the prolonged impact of COVID-19.

Meanwhile, the Sri Lankan economy had its own challenges to navigate through. The second half of 2023 however showed the resilience and recovery with a positive GDP growth. Inflation was curtailed to a great extent whilst the interest rates gradually reduced. On the front of exchange rates, Sri Lankan Rupee strengthened against USD that prompted the government to relax some import bans.

On the basis of successful reviews of IMF on the 4-year extended funding support program, the country managed to establish some confidence amongst the international community. Towards the end of 2023, tourism had seen an impressive

growth, exceeding expectations that helped the country much needed foreign currency inflows. Moving forward, agriculture, power and energy, manufacturing and tourism sectors were pivotal in driving towards sustainable development with the involvement of the state and private sectors. More and more investments into these sectors also required expertise to successfully launch and complete these projects, which eventually created more demand for EML Consultants PLC.

EML Performance

During the year under review, EML's total revenue amounted to Rs 90.1 Mn reflecting a decline of 32% 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 contributed to the drop in revenue generation.

In addition, we employed a set of robust strategies designed to control direct costs compared with increment ratios of turnover. As such, we were able to manage direct cost increment to achieve a higher gross margin of 41% demonstrating a 5% increase over 2022.

Limited opportunities in the project environment caused EML securing only 9 projects in the year 2023 that require a significant improvement to go forward.

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

projects, and execute existing projects by employing timely stratagems and tools. 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.

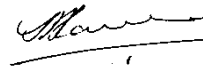
Meanwhile, we will continue to explore opportunities for growth in the current climate and build and nurture relationships with the government and private sector institutions to pursue viable growth. We will also continue to improve our services to potential and existing customer organizations through 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 2023 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

27th May 2024

5 MANAGING DIRECTOR'S REVIEW



“We are confident that the improving economic conditions would aid us to regain our business volumes and perform better”

It is my privilege and pleasure to present you the third Annual Report of our Company since the listing in the CSE. The year 2023 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 2022, the year 2023 began with the same challenges in our way as the government was taking measures to overcome its worst economic challenges as per IMF conditions. The embargo on construction projects continued and as a result, consultancy opportunities on the development of roads, water, and construction works remained minimal. Despite the first half without much activity, the second half of the year started to show a glimpse of positive momentum where interest rates started to fall whilst the Rupee appreciated against the USD. Most importantly, the last quarter performances reflected through the positive GDP growth with IMF and the World Bank projecting a positive outlook for Sri Lanka beyond 2023. For EML too, the macro-economic conditions created so many challenges, especially in the project pipeline aspect where the 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 at a low level. Despite this challenging environment, EML continued to work on ongoing projects to sustain the operations.

Financial Results

The company posted a revenue of Rs. 90.1 Mn which has year on year declined by 32%, caused due to reduction in successful projects, the achieved GP was Rs. 36 Mn as opposed to Rs. 46 in the previous year. Despite the drop in Gross Profits, the GP margin has improved to 41% from that of 35% in year 2022 which is a satisfactory achievement during this extremely challenging year. Our performance during the year was a result of our dedicated service and the well knitted relationships we maintain with our stakeholders which enabled us to stay afloat. Due to the reduction in revenues, EML ended the financial year with a net loss of Rs. 7.6 Mn due to the lower gross profit, exchange losses, whilst the overhead expenses increased modestly and the net positive finance income reducing the losses reported. 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 9 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 2024, we will continue to focus on growing our consultancy business, by expanding our products and services to areas where there are greater potentials. We have expanded our services to

include 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.

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 2024

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.H.
Mihiripenna
Non-Executive
Independent Director**

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.

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

7 SENIOR PROFESSIONALS

Management Team – External Consultants



**Dr. Magdon
Jayasooriya - Senior
Consultant**

Dr. Magdon Jayasooriya brings enormous wealth of experience and expertise to EML through his 35 years long career in the state sector and private sector. He is one of the most senior experts in the sector of Ecology and has contributed a great deal towards government efforts in sustainable development through a great number of consultancies, a great extent of researches and through experience gained in working with multinational teams. His last position under the government service has been the Director, Plant Genetic Resources Centre, Department of Agriculture (January 1996 - March 1998). His specializations extend across the fields of Plant Systematics, Plant Ecology, Biodiversity Conservation and Plant Resources & Agro biodiversity.

Dr. Jayasooriya holds a Ph.D. in Plant Systematics from the City University of New York – USA, M.Phil. in Plant Ecology & Plant Systematics from the University of Peradeniya and a B.Sc. (Special) degree in Botany (Special subject) Chemistry (Subsidiary subject) from University of Colombo.



**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.

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.



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

8 MANAGEMENT DISCUSSION & ANALYSIS, COMPANY PERFORMANCE

Global context

The post pandemic era of the global economies remained dull where developed countries had their own economic challenges in terms of high inflation, interest rate increasing and socio-economic impact of unemployment due to people losing jobs with the scale down of the businesses.

Despite recent signs of improvement, recovery over the next two years is expected to be moderate. The outlook remains fragile and downside risks predominate. High uncertainty generated by the war could take a heavy toll on activity. Trade tensions are high and could worsen. Concerns about financial vulnerabilities have risen, including in financial institutions, housing markets and low-income countries.

The Economic backdrop of Sri Lanka

EML entered year 2023 with the economic challenges in the backdrop. The country was struggling to come out of the substantial negative impact of the economic crisis. The Government had to curtail its investments on development projects that had negatively impacted on EML's business. However, positive economic sentiments were starting to appear towards the end of FY 2023. Reduction of policy interest rates, inflation reverting back to a single digit and the appreciation of Sri Lankan Rupee against the USD are some of the crucial improvements noted during the second half of 2023. Most importantly, economic growth was restored, with the GDP bouncing back to a positive trajectory in Q3 and Q4 of year 2023.

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 28 years in the industry, EML has served thousands of clients by providing consultancy services covering a wide spectrum of sectors.

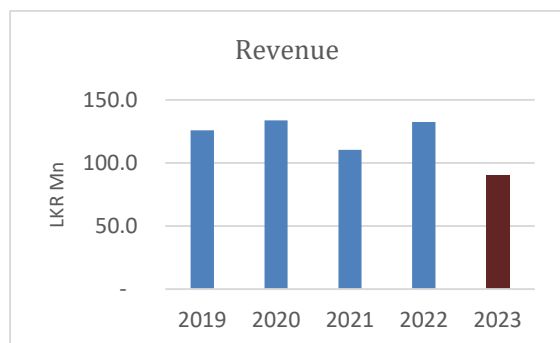
During the year 2023, EML secured 9 new projects whilst 24 projects were ongoing which had commenced in previous years. Amongst the new projects, Conducting Avifaunal Studies for the following Proposed Wind Power Projects in Mannar Region, Conducting Market Survey for Implementation of Regulatory Measures for Water Fittings and Conducting Infrastructure Needs Assessment for the Justice Sector Institutions are some of the key projects. Significantly low project initiations from the government sector and donor agencies has led to an overall drop in new businesses for EML as well.

Financial Review

Revenue

In the year 2023, the total revenue of EML stood at LKR 90.1 Mn with a decline of 32% over year 2022. Project values and duration are the factors that lead to revenue fluctuations where projects

that extend over multiple years generate revenues for more than one financial year based on project milestones.



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 decreased by LKR 32.86 Mn to record a decline of 38% compared with the previous year. Together with the drop in revenues, direct cost also has reduced at a higher rate than the drop in revenue.

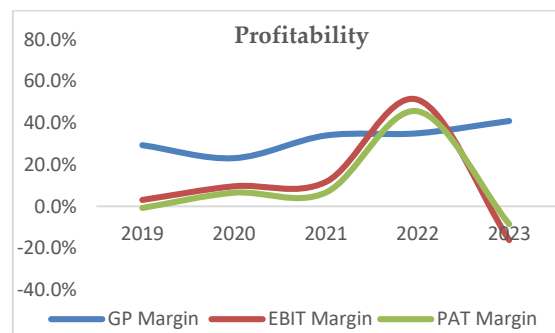
Overhead Expenses

During the year under review, administration expenses had recorded an increase of 19% Year over Year and recorded at LKR 45.6 Mn (2022 – LKR 38.3 Mn). This cost increase is largely attributed to the overhead costs such as building maintenance expenses, staff cost increases, and employee retention credit. Apart from these cost increases, other overhead expenses have not reflected a significant fluctuation.

Profitability

During the year under review, the gross profit margin has increased while the gross profit in absolute terms has reduced with the decline in revenues. As a result of lower gross profit and the exchange losses, the operating profit turned to a negative LKR 21 Mn compared to LKR 61.3

Mn profit of the last financial year. The loss has been reduced with the interest income received from deposits with banks and the net loss for FY 2023 is LKR 7.6 Mn.



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. However, in the Financial Year 2023, the non-current assets reflect a significant increase owing to the revaluation surplus recognized that amounts to LKR 58.9 Mn attributed to the land and building. Earlier, the land and building carried at cost where the accounting policy changed to revaluation model in Financial Year 2023. Main change in the current assets is the reduction of trade receivables by 43% where other current assets remain without a much fluctuation.

The organization’s borrowings (excluding bank OD) as at the end of the financial year 2023 reduced by 48% with the repayments. It is observed that the borrowings continue to reduce in the recent past as there were no new loans incurred.

Equity position improved to LKR 220 Mn due to the significant amount of revaluation surplus.

With the improved equity position and reduction in borrowings, the debt-to-equity ratio reduced to 7% in financial year 2023 from 17% in financial year 2022.

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

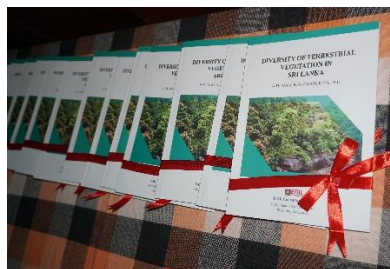
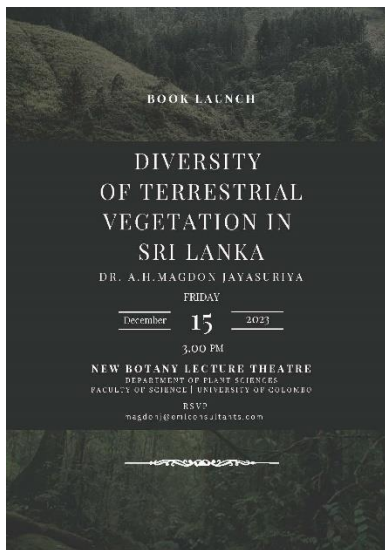
WAY FORWARD

We entered 2023 with several challenges , particularly the long term impact of economic crisis on trade and business confidence during the post pandemic era. Amidst all these challenges, leveraging on employees’ experience and the best management practices, we were able to sustain our operations. We as a company have certain HR initiatives for training and development, rewards and recognition schemes, leadership development and motivation and Knowledge sharing. Considering the impact from the adverse economic conditions on the living costs, EML takes care of the employees from the aspect of maintaining living standards.

EML-CONTRIBUTION TO SCEINCE AND DEVELOPMENT

A BOOK LAUNCH IN 2023

EML took part in launching a new book on 15.12.2023 at the Faculty of Science - University of Colombo. Book is titled “Diversity of Terrestrial Vegetation in Sri Lanka authroed by Dr.A.H.Magdon Jayasuriya.



11 SUSTAINABILITY STRATEGY

As a responsible corporate citizen, EML has always been contributing towards building a sustainable business model that ensures all stakeholders are appropriately taken care of. The social and environmental aspects are eventually addressed through the business operations of the Company. As certain projects undertaken are relating to environment impact assessment, EML upholds its ethics and act in an independent manner to report actual findings. In its day-to-day operations, EML had taken steps to save energy and reduce emission by minimizing the use of air conditioning and power as an initial move to go green.

Socio-economic contribution from the Company yet again taken care through the projects for social well-being in rural areas, SME development and infrastructure development. The Company deploy its activities to develop best solutions for communities. In delivering the services, EML always concerned on delivering the most viable solutions as the activities performed have a direct impact on the society. EML always backs maintaining high service standards and conducting business ethically, so that the sustainable practices are integrated to the operations at all times.



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 ensure 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 2023 before their issuance.

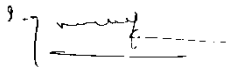
External Auditors

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 2024. The Committee has recommended to re-appoint the same auditor for the financial year 2024 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 2024.

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 the section 9.14.10 of the listing rules for the committee to review and to grant approval or disapproval.

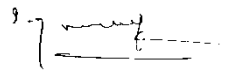
The Committee held 4 meetings during the year 2023. Committee had advised the Board and the management on the policies and procedures to be adopted in the forthcoming year. The

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 66 to 67 of this Annual Report.

The committee has reviewed the related party transactions during financial year 2023 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 the Section 9 of the CSE Listing Rules.

Declaration

A declaration is given by the Board of Directors in the Annual Report on page 33 as a negative statement to the effect that no related party transaction falling within the ambit of the 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 2024

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 2023 to discuss the matters and made relevant recommendations on the remuneration.



Mr. H.N.J. Chandrasekera
Chairman -Remuneration Committee.

27th May 2024

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 2023, to be presented at the 3rd 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 19 to 20 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 41 to 67 of this Annual Report.

Independent Auditors' Report

The Auditors' Report on the Financial Statements is given on page 38 and 40 of this Annual Report.

Accounting Policies

The accounting policies adopted in preparation of the Financial Statements are given on pages 45 to 56.

Financial Results and Appropriations

Net Loss after Taxation of the Company for the year was LKR 7.6 Mn (2022 profit of LKR 60.6 Mn)

Property, Plant and Equipment

During the year under review, no major capital expenditure on Property, Plant and Equipment for the company. During the year 2023, the Company has changed the subsequent measurement basis of land and building from cost model to revaluation model. This has resulted a revaluation surplus of LKR 59 Mn being recognized in the financial statements.

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 2023 of the Company amounted to LKR 70.5 Mn (2022 – LKR 79.5 Mn), Revaluation reserve created from the revaluation of land and building amounted to LKR 59 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 2023 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 61.

Contingent Liabilities

There were no material contingent liabilities outstanding as at 31st December 2023 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 37 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 22 to 23 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 35.

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 29 and 30 set out the manner of compliance by the Company in accordance with the requirements of the Rule 9.18.6 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 32 in accordance with the requirements of the Rule 9.18.5 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 the Rule 9.18.7 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 31.

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 2023. 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 9.18.7 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 th November 2021
Mr. Keerthi Prasanna Priyankara Hewa Mihiripenna	12 th July 2021
Mr. Tilak Hewawasam	22 nd March 2007

Mr. Hadapangodage Nandasiri Jayaraja Chandrasekera	29 th June 2018
Mr. Kaluachchigamage Avanthi Kumara Jayatilake	29 th January 2020

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

Mr. Karunasena Hettiarachchi and Mr. Tilak Hewawasam who are over 70 years of age, retire by rotation in terms of section 211 of the companies Act No. 7 of 2A07 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 2023 were as follows:

Name of Director	No. of Ordinary Shares as at 31.12.2023
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 22 and 23.

Share Information and Substantial Shareholdings

The distribution of shareholding, market value of shares and twenty largest shareholders are given on pages 69 and 70.

The earnings per share and net assets per share are given on page 70.

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.8 in page no. 57 of this Annual Report.

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

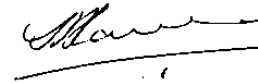
The Audit Committee reviews the appointment of the Auditors, its effectiveness and its relationship with the Company including the

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 26th June 2024 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 73 of this Annual Report.

For and on behalf of the Board,



Mr. Karunasena Hettiarachchi
Chairman

Signed
Business Intelligence (Pvt) Ltd.

Secretaries

EML Consultants PLC

27th May 2024

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 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 2023 to 31st December 2023, 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 (PRIVATE) LIMITED**

Signed.
Company Secretary
Date: 27th May 2024

18 INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF EML CONSULTANTS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of EML Consultants PLC, which comprise the Statement of Financial Position as at 31 December 2023, and the Statement of Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance 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 the ethical requirements of the Code of Ethics issued by CA Sri Lanka that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the 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 the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITORS' REPORT (CONT'D...)
Key Audit Matters (Cont'd...)

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Measurement of revaluation of the land & buildings	
<p>The Company's land and building as of 31st December 2023 are reflected at a revaluation amount of Rs. 102 Mn, following a revaluation increase of Rs. 59 Mn.</p> <p>Given the current status of the land and building, determining the appropriate valuation premises for the revaluation measurement, consistent with the highest and best use of the property, involved significant judgment.</p> <p>In particular, the external valuer made a significant assumption. Accordingly, we considered the revaluation measurement of the land and building as a key audit matter due to the substantial judgment involved.</p>	<p>The audit procedures we undertook included the following:</p> <ul style="list-style-type: none"> • We assessed the competence, capability, and objectivity of the external valuer engaged by the Company. • We reviewed the external valuer's report to understand the significant judgments and assumptions made, as well as the approach taken by the external valuer in determining the value of the land and building. • We evaluated the reasonableness of the significant judgments made by the external valuer, including the appropriateness of the valuation premise, valuation techniques, and significant assumptions used in the measurement of the value of the land and building. <p>Additionally, we assessed the adequacy of the disclosures made in note 13 to the financial statements, which relate to the significant judgments, assumptions, valuation techniques, and estimates used by the external valuer.</p>

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

Management is responsible for the preparation and fair presentation of these financial statements 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

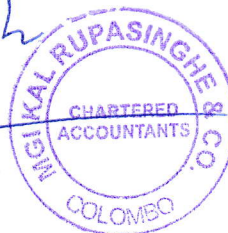
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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.



MGI KAL Rupasinghe & Co.
Chartered Accountants
Colombo
21st May 2024



19 STATEMENT OF COMPREHENSIVE INCOME

MGI KAL Rupasinghe & Co.
Chartered Accountants

Page 03

EML Consultants PLC
Statement of Comprehensive Income
For the year ended 31st December

	Note	2023 Rs.	2022 Rs.
Revenue	5	90,054,222	132,482,840
Direct Cost	6	(53,107,452)	(85,969,316)
Gross Profit		36,946,770	46,513,524
Other (Loss) / Income	7	(12,549,497)	53,135,420
Administrative Expenses		(45,610,213)	(38,340,557)
Operating (Loss) / Profit	8	(21,212,940)	61,308,387
Finance Income	9	14,190,636	4,324,498
Finance Costs	9	(1,430,181)	(3,496,445)
Finance Income - Net	9	12,760,455	828,053
(Loss) / Profit Before Tax		(8,452,485)	62,136,440
Income Tax Expense	10	812,765	(1,566,668)
(Loss) / Profit for the Year		(7,639,720)	60,569,772
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement (Loss) / Gain from Retirement Benefit Obligations	22	(2,412,054)	3,765,549
Change in Revaluation Surplus of Property, Plant and Equipment	20	58,869,038	-
Impact on Deferred Tax	10	723,616	(527,177)
Other Comprehensive Income for the Year		57,180,600	3,238,372
Total Comprehensive Income for the Year		49,540,880	63,808,144
(Loss) / Earnings Per Share - basic (Rs.)	11	(0.08)	0.67

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

Colombo
21st May 2024


MGI KAL Rupasinghe & Co.
Chartered Accountants

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

	Notes	2023 Rs.	2022 Rs.
Assets			
Non Current Assets			
Property, Plant and Equipment - Freehold	13 (a)	102,621,845	42,104,861
Property, Plant and Equipment - Leasehold	13 (b)	6,799,586	14,666,493
Total Non Current Assets		109,421,431	56,771,354
Current Assets			
Trade and Other Receivables	14	17,921,741	31,708,636
Income Tax Recoverable	15	1,879,116	-
Financial Assets	16	118,177,015	123,117,998
Amount due from Related Parties	17	16,361,799	16,255,343
Cash and Cash Equivalents	18	10,044,310	10,977,486
Total Current Assets		164,383,981	182,059,463
TOTAL ASSETS		273,805,412	238,830,817
Equity and Liabilities			
Capital and Reserves			
Stated Capital	19	90,900,000	90,900,000
Revaluation Reserve	20	58,869,038	-
Retained Earnings		70,547,774	79,875,932
Total Shareholder's Equity		220,316,812	170,775,932
Non Current Liabilities			
Loans and Borrowings	21	2,491,657	5,045,450
Retirement Benefit Obligations	22	8,111,265	5,098,559
Deferred Tax Liabilities	23	962,988	2,499,369
Total Non Current Liabilities		11,565,910	12,643,378
Current Liabilities			
Loans and Borrowings	21	13,463,032	24,478,001
Income Tax Payable	15	-	294,507
Trade and Other Payables	24	26,156,659	28,238,628
Amounts due to a Director	25	2,302,999	2,400,371
Total Current Liabilities		41,922,690	55,411,507
Total Liabilities		53,488,600	68,054,885
TOTAL EQUITY AND LIABILITIES		273,805,412	238,830,817


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

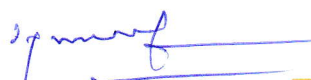
The Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.


.....
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


.....
Director

21 STATEMENT OF CHANGES IN EQUITY

MGI KAL Rupasinghe & Co.
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 2021		90,900,000	-	16,067,788	106,967,788
Profit for the year		-	-	60,569,772	60,569,772
Other Comprehensive Income for the year					
Remeasurement Gain from Retirement Benefit Obligations	19	-	-	3,765,549	3,765,549
Impact on Deferred Tax	19	-	-	(527,177)	(527,177)
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)
Other Comprehensive Income for the year					
Remeasurement Loss from Retirement Benefit Obligations	19	-	-	(2,412,054)	(2,412,054)
Change in Revaluation Surplus of Property, Plant and Equipment	19	-	58,869,038	-	58,869,038
Impact on Deferred Tax	19	-	-	723,616	723,616
Balance as at 31 December 2023		90,900,000	58,869,038	70,547,774	220,316,812

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

Colombo
21st May 2024

22 STATEMENTS OF CASH FLOWS

MGI KAL Rupasinghe & Co.
Chartered Accountants

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

	Note	2023 Rs.	2022 Rs.
Cash Flows From Operating Activities			
(Loss) / Profit Before Tax		(8,452,485)	62,136,440
Adjustments for:			
Depreciation	8	6,603,462	6,673,840
Interest Income	9	(14,190,636)	(4,324,498)
Interest Expense	9	1,430,181	3,496,445
Provision for Retirement Benefit Obligation	22	1,173,902	2,258,928
Previous year adjustment - Tax	15	106,596	-
Operating (Loss) / Profit Before Working Capital Changes		(13,328,980)	70,241,154
Changes in Working Capital:			
- Trade and Other Receivable		13,786,895	3,103,504
- Amounts Due From Related Parties		(106,456)	1,070,285
- Trade and Other Payables		(2,081,968)	(8,892,011)
- Amounts due to a Director		(97,372)	(3,753,664)
Cash (Used In) / Generated From Operations		(1,827,881)	61,769,268
Interest Paid	9	(1,430,181)	(3,496,445)
Income Tax Paid	15	(2,098,268)	-
Withholding Tax Paid	15	(181,951)	(540)
Payment of Retiring Benefit Obligation	22	(573,250)	(468,000)
Net Cash (Used In) / Generated From Operating Activities		(6,111,531)	57,804,283
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment	13 (a)	(384,501)	-
Interest Received	9	14,190,636	4,324,498
Proceed from Financial Assets		(67,677,977)	(94,719,525)
Withdrawal of Financial Assets		72,618,959	18,688,141
Net Cash Generated From / (Used In) Investing Activities		18,747,117	(71,706,886)
Cash Flows From Financing Activities			
Proceeds from Loans and Borrowings		738,137	682,863
Payment of Lease Liabilities		(3,291,930)	(6,138,588)
Net Cash Used In Financing Activities		(2,553,793)	(5,455,725)
Net Increase / (Decrease) in Cash and Cash Equivalents		10,081,793	(19,358,328)
Cash and Cash Equivalents at the Beginning of the Year		(10,208,615)	9,149,713
Cash and Cash Equivalents at the End of the Year	18	(126,822)	(10,208,615)

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

Colombo
21st May 2024

23 NOTES TO THE FINANCIAL STATEMENTS

MGI KAL Rupasinghe & Co.
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 17th May 2024.

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 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.

MGI KAL Rupasinghe & Co.
Chartered Accountants

EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

2 Summary of Significant Accounting Policies (Contd...)

2.3 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

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

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.

2.4 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.

MGI KAL Rupasinghe & Co.
Chartered Accountants

EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

2 Summary of Significant Accounting Policies (Contd...)

2.5 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

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

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

- 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.

MGI KAL Rupasinghe & Co.
Chartered Accountants

EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

2 Summary of Significant Accounting Policies (Contd...)

2.6 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

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

(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.

MGI KAL Rupasinghe & Co.
Chartered Accountants

EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

2 Summary of Significant Accounting Policies (Contd...)

2.6 Financial assets (Contd...)

(c) Measurement (Contd...)

- 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.

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.

2.7 Financial liabilities

2.7.1 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.

2.7.2 Subsequent measurement

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

2.7.3 Derecognition

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

2.7.4 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.

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

2 Summary of Significant Accounting Policies (Contd...)

2.8 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.

2.9 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 book overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

2.10 Stated capital

Ordinary Shares are classified as equity.

2.11 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.

(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.

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

2 Summary of Significant Accounting Policies (Contd...)

2.11 Employee benefits (Contd...)

(b) Defined benefit obligation(Contd...)

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.

2.12 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.

2.13 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 (Contd...)

2 Summary of Significant Accounting Policies (Contd...)

2.14 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.

2.15 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.

2.16 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.

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

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.

(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.

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

3 Financial risk management (Contd...)

3.1 Financial risk (Contd...)

3.1.1 Financial risk factors (Contd...)

(b) Credit risk (Contd...)

(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.

	2023	2022
	Rs.	Rs.
Risk exposure		
Trade and Other Receivables (excluding advances and prepayments)	17,499,241	31,286,136
Amounts due from Related Parties	16,361,799	16,255,343
Financial Assets - Fixed Deposits	118,177,015	123,117,998
Cash and Cash Equivalents	10,044,310	10,977,486
Total credit risk exposure	162,082,365	181,636,963

(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.

	2023	2022
	Rs.	Rs.
Trade and Other Payables (excluding statutory liabilities)	17,317,175	27,702,870
Amounts due to Related Parties	2,302,999	2,400,371
Loand and Borrowings	5,783,557	8,337,350
Bank Overdrafts	10,171,132	21,186,101
	35,574,863	59,626,692

(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

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.

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

3 Financial risk management (Contd...)

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.

(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 21.

(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.

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

4 Critical accounting estimates and judgements (Contd...)

4.1 Critical accounting estimates and assumptions (Contd...)

(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 (Contd...)

	2023 Rs.	2022 Rs.
5 Revenue		
Revenue Related to Consultancy Services	90,054,222	132,482,840
	90,054,222	132,482,840
6 Direct Cost		
Cost Related to Consultancy Services	53,107,452	85,969,316
	53,107,452	85,969,316
7 Other (Loss) / Income		
LECO Income	84,585	37,466
Rental Income	146,895	-
(Loss) / Gain on Translation of Foreign Currency Balances	(12,780,977)	53,097,954
	(12,549,497)	53,135,420
8 Result from Operations		
Directors' Remuneration	5,100,941	3,497,987
Auditors' Remuneration - audit	500,000	460,000
Auditors' Remuneration - non audit	-	25,000
Repair and Maintenance	230,663	580,145
Donation	-	3,000
Insurance	1,146,443	924,226
Depreciation on Property, Plant and Equipment	6,603,462	6,673,840
ROC and Listing Charges	341,226	950,626
Fuel Charges	3,114,386	3,307,482
Staff Salaries and Allowances	15,212,494	13,841,819
9 Finance Income / (Costs)		
<i>Finance income:</i>		
Interest Income	14,190,636	4,324,498
	14,190,636	4,324,498
<i>Finance costs:</i>		
Interest on borrowings	(603,347)	(2,507,117)
Lease Interest on Finance Leases	(738,138)	(989,328)
Bank Charges	(88,696)	-
	(1,430,181)	(3,496,445)
Finance Income - Net	12,760,455	828,053
10 Income Tax Expense		
Current Tax on Profits for the year	-	2,098,268
Overprovision of Income Tax in respect of previous year	-	(22,286)
Deferred Tax credited for the year	(812,765)	(509,314)
Income Tax Expenses	(812,765)	1,566,668
Statement of other comprehensive income		
Deferred Tax effect on other comprehensive income	(723,616)	527,177
Income tax charged / (credited) to statement of comprehensive income	(723,616)	527,177

The applicable tax rate on profit was 30%.

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

	2023 Rs.	2022 Rs.
10 Income Tax Expense (Contd...)		
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:		
(Loss) / Profit Before Tax	(8,452,485)	62,136,440
Tax calculated at a tax rate of 30% (2022 - effective tax rate of 14%)	(2,535,746)	8,699,102
Overprovision of Income Tax in respect of previous year	-	(22,286)
Expenses not deductible for tax purposes	(2,333,209)	(6,888,910)
Income not subjected to tax purposes	3,324,407	605,430
Adjustment due to changes in deferred tax base	731,783	(826,668)
Tax Charge for the year	(812,765)	1,566,668

11 (Loss) / Earnings Per Share - basic (Rs)

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:

	2023	2022
(Loss) / Profit attributable to equity holders of the Company	(7,639,720)	60,569,772
Weighted average number of ordinary Shares in issue (Note 19)	90,900,000	90,900,000
(Loss) / Earnings Per Share - basic (Rs.)	(0.08)	0.67

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 (Contd...)

13 (a) Property, Plant and Equipment - Freehold

	Balance as at 01.01.2023	Adjustment on revaluation	Change in revaluation surplus of property, plant and equipment	Additions during the year	Transfer to Property, Plant and Equipment - Leasehold	Balance as at 31.12.2023
At Cost / Valuation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	18,842,880	-	33,657,120	-	-	52,500,000
Buildings	49,164,162	24,576,080	25,211,918	-	-	49,800,000
Motor Vehicles	5,270,075	-	-	-	-	5,270,075
Office Equipments	1,952,909	-	-	4,501	-	1,957,410
Computer Equipments	11,830,664	-	-	360,000	-	12,190,664
Furniture and Fittings	3,416,857	-	-	20,000	-	3,436,857
Total	90,477,547	24,576,080	58,869,038	384,501	-	125,155,006

	Balance as at 01.01.2023	Adjustment on revaluation	Change in revaluation surplus of property, plant and equipment	Charge for the year	Transfer to Property, Plant and Equipment - Leasehold	Balance as at 31.12.2023
Depreciation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	22,170,838	24,576,080	-	2,405,242	-	-
Motor Vehicles	9,046,762	-	-	-	3,776,687	5,270,075
Office Equipments	1,950,902	-	-	2,009	-	1,952,911
Computer Equipments	11,795,259	-	-	94,901	-	11,890,160
Furniture and Fittings	3,408,925	-	-	11,090	-	3,420,015
Total	48,372,686	24,576,080	-	2,513,242	3,776,687	22,533,161
Net Book Value of Assets	42,104,861					102,621,845

13 (b) Property, Plant and Equipment - Leasehold

	Balance as at 01.01.2023	Adjustment on revaluation	Change in revaluation surplus of property, plant and equipment	Additions during the year	Transfer from Property, Plant and Equipment - Freehold	Balance as at 31.12.2023
At Cost / Valuation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Motor Vehicles	20,450,902	-	-	-	-	20,450,902
Total	20,450,902	-	-	-	-	20,450,902

	Balance as at 01.01.2023	Adjustment on revaluation	Change in revaluation surplus of property, plant and equipment	Charge for the year	Transfer from Property, Plant and Equipment - Freehold	Balance as at 31.12.2023
Depreciation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Motor Vehicles	5,784,409	-	-	4,090,220	3,776,687	13,651,316
Total	5,784,409	-	-	4,090,220	3,776,687	13,651,316
Net Book Value of Assets	14,666,493					6,799,586

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

	2023 Rs.	2022 Rs.
14 Trade and Other Receivables		
Trade Receivables	15,867,530	30,324,426
Deposit and Prepayments [See Note (a) below]	422,500	422,500
Other Receivables [See Note (b) below]	1,631,711	961,710
	17,921,741	31,708,636
<p>(a) Deposits and prepayments mainly consist of electricity deposit of Rs. 120,000/- (2022 - Rs. 120,000/-), fuel deposit of Rs. 150,000/- (2022 - Rs. 150,000/-) and rent deposit of Rs. 90,000/- (2022 - Rs. 90,000/-).</p> <p>(b) Other receivables mainly consist of Interest income receivable Rs. 910,213/- (2022 - Rs. 0/-) and JICA JAT Advance Rs. 457,837/- (2022 - Rs. 484,334/-).</p>		
15 Income Tax Receivables / (Payable)		
Balance at the beginning of the year	(294,507)	1,697,165
Current Income Tax Charge	-	(2,098,268)
Previous year adjustment	(106,596)	-
	(401,103)	(401,103)
Income Tax Paid	2,098,268	-
Set-off with ESC Receivable	-	106,056
Set-off with WHT Paid	181,951	540
Balance at the end of the year	1,879,116	(294,507)
16 Financial Assets		
Fixed Deposits in Foreign Currency	103,853,615	112,717,998
Fixed Deposits in Local Currency	14,323,400	10,400,000
	118,177,015	123,117,998
17 Amount due from Related Parties		
<i>Amounts Due from Related Companies</i>		
Dellogistics International (Private) Limited	11,731,094	11,562,192
Eco Tech Management (Private) Limited	2,220,001	3,412,615
Development Concepts (Private) Limited	142,083	-
International Institute for Development Transformation (Private) Limited	2,268,621	1,280,536
	16,361,799	16,255,343

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

	2023 Rs	2022 Rs
18 Cash and Cash Equivalents		
<i>Favourable Cash & Cash Equivalent Balances</i>		
<i>Foreign Saving Accounts</i>		
NDB US\$ - 106500000147	1,653,578	2,091,387
HNB US\$ A/C - 043910090575	2,608	2,923
HNB US A/C - 043020115339	2,768,566	6,815,586
HNB CAD - 0430200114864	127,759	139,084
BOC AUD - 73581610	117,022	129,683
	4,669,533	9,178,663
<i>Local Saving Accounts</i>		
HNB Savings -043020153367	474,967	7,407
NDB S/A - 106000331212	1,507,050	1,471,713
BOC S/A - 72791524	65,862	64,703
NDB MM A/C - 106090020393	3,143,182	-
	5,191,061	1,543,823
<i>Local Current Accounts</i>		
BOC C/A - 72504353	30,000	30,000
HNB C/A - 043010005102	21,395	-
NDB C/A - 101000029484	4,049	-
	55,444	30,000
<i>Cash in Hand</i>		
Petty Cash	128,272	225,000
	128,272	225,000
Total Favourable Cash & Cash Equivalent	10,044,310	10,977,486
<i>Unfavourable Cash & Cash Equivalent Balances</i>		
<i>Local Current Accounts</i>		
NDB C/A - 101000029484	-	6,400,281
HNB C/A - 043010005102	-	4,638,285
HNB C/A - 043010057211	10,171,132	10,147,535
Total Unfavourable Cash & Cash Equivalent	10,171,132	21,186,101
Total Cash and Cash Equivalent for the Purpose of Statement of Cash	(126,822)	(10,208,615)

19 Stated Capital

	Ordinary Shares	
	No. of Shares	Value of Shares
As at 31 December 2022	90,900,000	90,900,000
As at 31 December 2023	90,900,000	90,900,000

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

	2023 Rs.	2022 Rs.
20 Revaluation Reserve		
Balance at the beginning of the year	-	-
Surplus on revaluation during the year	58,869,038	-
Recognition of deferred tax liabilities on revaluation	-	-
Balance at the end of the year	58,869,038	-

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Significant Accounting Policies and Notes to the Financial Statement (Contd...)

	2023 Rs.	2022 Rs.
21 Loans and Borrowings		
Non Current (due more than one year)		
<i>Lease Creditors</i>		
CBK 0259	470,363	1,188,702
KT 7741	404,603	1,019,144
PG 5671	1,616,691	2,837,604
	2,491,657	5,045,450
Current (due within one year)		
<i>Lease Creditors</i>		
CBK 0259	939,588	939,588
KT 7741	773,784	773,784
PG 5671	1,578,528	1,578,528
	3,291,900	3,291,900
Bank Overdrafts	10,171,132	21,186,101
	13,463,032	24,478,001
Total Borrowings	15,954,689	29,523,451
22 Retirement Benefit Obligations		
<i>Statement of financial position obligation for:</i>		
- Gratuity benefits	8,111,265	5,098,559
<i>Income statement charge:</i>		
- Gratuity benefits	1,173,902	2,258,928
<i>Other comprehensive income:</i>		
- Remeasurement gain / (loss)	2,412,054	(3,765,549)
The movement in the Retirement Benefit Obligations over the year is as follows:		
At 01 January	5,098,559	7,073,180
Current service cost	505,682	287,261
Interest cost	668,220	1,971,667
Remeasurement gain / (loss)	2,412,054	(3,765,549)
Benefits paid	(573,250)	(468,000)
At 31 December	8,111,265	5,098,559
The amounts recognized in the statement of comprehensive income are as follows:		
Current service cost	505,682	287,261
Interest cost	668,220	1,971,667
	1,173,902	2,258,928
Retirement Benefit Obligations are valued using the Projected Unit Credit Method as at 31 December 2023 and the provision is not externally funded.		
The principal assumptions used in the calculation were as follows:		
Discount Rate	29.79%	29.79%
Expected Salary Increment Rate	7.50%	18.75%
Staff Turnover Rate	7.50%	7.50%

MGI KAL Rupasinghe & Co.
Chartered Accountants

EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

	2023 Rs.	2022 Rs.		
23 Deferred Income Tax Liabilities				
Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate of 30% (2022 - 14%).				
The gross movement on the deferred income tax account is as follows:				
At beginning of year	2,499,369	2,481,506		
Credited to income statement	(812,765)	(509,314)		
(Credited) / Charged to other comprehensive income	(723,616)	527,177		
At end of year	962,988	2,499,369		
The analysis of deferred tax assets and deferred tax liabilities is as follows:				
Deferred tax assets				
- Deferred tax assets to be recovered after more than 12 months	(5,216,299)	(976,994)		
	(5,216,299)	(976,994)		
Deferred tax liabilities				
- Deferred tax liabilities to be recovered after more than 12 months	6,179,287	3,476,363		
	6,179,287	3,476,363		
	962,988	2,499,369		
	Accelerated tax			
Deferred tax liabilities	depreciation	Total		
At 01 January 2022	3,734,948	3,734,948		
Credited to income statement	(258,585)	(258,585)		
At 31 December 2022	3,476,363	3,476,363		
Charged to income statement	2,702,924	2,702,924		
At 31 December 2023	6,179,287	6,179,287		
Deferred tax Assets	Retirement Benefit	Impairment of Debtors	Tax Losses	Total
At 01 January 2022	990,246	263,196	-	1,253,442
Charged to income statement	(803,625)	-	-	(803,625)
Credited to other comprehensive income	527,177	-	-	527,177
At 31 December 2022	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
At 31 December 2023	2,433,380	1,850,135	932,784	5,216,299

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EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

	2023 Rs.	2022 Rs.
24 Trade and Other Payables		
Trade Payables	17,317,175	24,294,693
Provision for Labour Case	691,540	691,540
Provision for Legal Case - Vimalachandran	874,975	-
VAT Payable	1,716,727	-
Accrued Expenses [See Note (a) below]	5,556,242	3,252,395
	26,156,659	28,238,628

- (a) Accrued expenses mainly consists of Salary payable of Rs 1,708,110/- (2022 - Rs 732,763/-), EPF payable of Rs 410,952/- (2022 - Rs 404,026/-), ETF payable of Rs 61,643/- (2022 - Rs 60,605/-), Audit fee payable of Rs 500,000/- (2022 - Rs 460,000/-), WHT payable of Rs 176,950/- (2022 - Rs 0/-), Welfare society payable of Rs 329,282/- (2022 - Rs 326,052 /-), PAYE payable of Rs 609,395/- (2022 - Rs 71,127/-), IT support fee payable of Rs 225,000/- (2022 - Rs 125,000/-), Tax fee payable of Rs 50,000/- (2022 - 0/-), Insurance fee payable of Rs 0/- (2022 - Rs 485,000/-), Retainer fee payable of Rs 640,117/- (2022 - Rs 133,802/-) and Stamp duty payable of Rs 2,350/- (2022 - Rs 4,900/-).

	2023 Rs.	2022 Rs.
25 Amounts Due to a Director		
<i>Director</i>		
Mr. K. A. K. Jayatilake	2,302,999	2,400,371
	2,302,999	2,400,371

26 Contingent Liabilities and Assets

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.

Contingent Assets

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

27 Commitments

Capital commitments

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

Financial commitments

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

MGI KAL Rupasinghe & Co.
Chartered Accountants

EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

	2023 Rs.	2022 Rs.
28 Financial Instruments by category		
a) Financial assets - at amortised cost		
Trade and Other Receivables (excluding advances and prepayments)	17,499,241	31,286,136
Amounts due from Related Parties	16,361,799	16,255,343
Financial Assets - Fixed Deposits	118,177,015	123,117,998
Cash and Cash Equivalents	10,044,310	10,977,486
	162,082,365	181,636,963
b) Financial liabilities - at amortised cost		
Trade and Other Payables (excluding statutory liabilities)	17,317,175	27,702,870
Amounts due to Related Parties	2,302,999	2,400,371
Loand and Borrowings	5,783,557	8,337,350
Bank Overdrafts	10,171,132	21,186,101
	35,574,863	59,626,692
c) Credit quality of financial assets		
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:		
Trade receivables:		
Local Customers	15,867,530	30,324,426
	15,867,530	30,324,426
Counterparties without external credit rating:		
Group 1	15,867,530	30,324,426
Group 2	-	-
Group 3	-	-
Total unimpaired trade and related party receivables	15,867,530	30,324,426
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.		
Cash & Cash Equivalent:		
A+	6,307,859	3,563,100
AA-	3,395,295	6,965,000
B-	212,884	224,386
Cash in Hand	128,272	225,000
	10,044,310	10,977,486
Financial Assets (Short Term Investment):		
A+	103,853,615	53,701,043
AA-	-	-
	103,853,615	53,701,043

MGI KAL Rupasinghe & Co.
Chartered Accountants

EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

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

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. K. Hettiarachch	Mr. Tilak Hewawasam	Mr. H.N.J Chandrasek	Mr. K.P.P.H Mihiripenna
Dellogistics International (Pvt) Ltd	✓	✗	✗	✗	✗
Eco Tech Management (Pvt) Ltd	✓	✗	✗	✗	✗
Thilina Bookshop - Proprietor	✓	✗	✗	✗	✗
International Institute for Development	✓	✗	✗	✗	✗
Zeneth BPO (Private) Limited	✓	✗	✗	✓	✗
TEDHA (Pvt) Ltd	✓	✗	✗	✗	✗
Sustainable Agenda (Pvt) Ltd	✓	✗	✗	✗	✗
Sustainable Engineering Concept (Pvt) Ltd	✓	✗	✗	✗	✗
				2023 Rs.	2022 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	5,100,941	3,497,987
	5,100,941	3,497,987

30.2.2 Interest charges for loan given to Related Party

Dellogistics International (Private) Limited	2,105,492	1,292,733
	2,105,492	1,292,733

30.2.3 Interest received from related party for loan

Dellogistics International (Private) Limited	2,085,000	1,161,744
	2,085,000	1,161,744

MGI KAL Rupasinghe & Co.
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EML Consultants PLC

Significant Accounting Policies and Notes to the Financial Statement (Contd...)

30 Directors interest in contracts with the company and related party transactions (Contd...)

30.2 Related party transactions (Contd...)

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

	2023	2022
	Rs.	Rs.
Mr. K. A. K. Jayatilake	97,372	75,019
International Institute for Development Transformation (Private) Limited	500,122	1,075,248
	597,494	1,150,267

30.2.5 Payment received from related parties

International Institute for Development Transformation (Private) Limited	722,730	577,828
Eco Tech Management (Private) Limited	1,192,614	1,000,000
	1,915,344	1,577,828

30.3 Outstanding balance arising from above transactions;

(a) Amounts Due from Related Parties:

Dellogistics International (Private) Limited	11,731,094	11,562,192
Eco Tech Management (Private) Limited	2,220,001	3,412,615
International Institute for Development Transformation (Private) Limited	2,268,621	1,280,536
	16,219,716	16,255,343

(b) Amounts Due to Directors

Mr. K. A. K. Jayatilake	2,302,999	2,400,371
	2,302,999	2,400,371

24 FIVE YEARS FINANCIAL SUMMARY

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

	2019	2020	2021	2022	2023
	Rs	Rs	Rs	Rs	Rs
Revenue	126,070,595	133,740,943	110,497,518	132,482,840	90,054,222
Direct Cost	(89,014,336)	(102,776,025)	(72,872,968)	(85,969,316)	(53,107,452)
Gross profit	37,056,259	30,964,918	37,624,550	46,513,524	36,946,770
Earnings before interest and tax	(541,034)	9,196,083	8,383,555	61,308,387	21,212,940
(Loss) / profit before tax	(658,591)	9,538,633	8,294,221	62,136,440	(8,452,485)
Income tax	(261,595)	(712,698)	(951,950)	(1,566,668)	812,765
(Loss) / profit for the year	(920,186)	8,825,935	7,342,271	60,569,772	(7,639,720)

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

	2019	2020	2021	2022	2023
	Rs	Rs	Rs	Rs	Rs
Total Non-current assets	54,017,756	61,918,965	63,445,193	56,771,354	109,421,431
Total current assets	117,222,762	132,133,991	133,247,289	182,059,463	164,383,981
Total assets	171,240,518	194,052,956	196,692,482	238,830,817	273,805,412
Stated capital	90,900,000	90,900,000	90,900,000	90,900,000	90,900,000
Retained earnings	1,595,382	11,101,481	16,067,788	79,875,932	129,416,812
Total Shareholder's funds	92,495,382	102,001,481	106,967,788	170,775,932	220,316,812
Total Non-current liabilities	9,004,037	12,362,716	16,903,154	12,643,378	11,565,910
Total Current liabilities	69,741,099	79,688,759	72,821,540	55,411,507	41,922,690
Total Liabilities	78,745,136	92,051,475	89,724,694	68,054,885	53,488,600
Total Equity and liabilities	171,240,518	194,052,956	196,692,482	238,830,817	273,805,412

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] 31.12.2023

Description	Local Holders	Foreign Holders	Local Shares	Foreign Shares	Local %	Foreign %
1 To 1000 Shares	682	0	214,315	0	0.24%	0.00%
1001 To 10000 Shares	695	1	3,180,170	9,875	3.50%	0.01%
10001 To 100000 Shares	507	2	16,931,812	182,538	18.63%	0.20%
100001 To 1000000 Shares	84	1	19,798,725	148,925	21.78%	0.16%
Over 1,000,001 shares	4	0	50,433,640	0	55.48%	0.00%
	1972	4	90,558,662	341,338	99.62%	0.38%

Analysis of Share Holders According to the No Of Shares[Company/Member] 31.12.2023

Description	Company	Member	Company Shares	Member Shares	Company %	Member %
1 To 1000 Shares	9	673	1,212	213,103	0.00%	0.23%
1001 To 10000 Shares	24	672	167,339	3,022,706	0.18%	3.33%
10001 To 100000 Shares	44	465	1,739,433	15,374,917	1.91%	16.91%
100001 To 1000000	19	66	4,213,375	15,734,275	4.64%	17.31%
1000001 To 10000000	1	3	1,052,151	49,381,489	1.16%	54.33%
	97	1879	7,173,510	83,726,490	7.89%	92.11%

3. Top 20 Shareholders as at 31st December 2023

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	MR. WICKRAMA ARACHCHI APPUHAMILAGE THAMASH MADUSHAN JAYAWICKRAMA	1,259,448	1.39%
4	SAMPATH BANK PLC/MR. LLEWELLYN ALPHONSUS JOSEPH FIEDELIS MORAIS	1,052,151	1.16%
5	MR. MOHAMED THASEEN RAJAB KHAN	960,042	1.06%
6	Mr. TILAK HEWAWASAM	944,445	1.04%
7	MR. ABEYSIRI HEMAPALA MUNASINGHE	750,000	0.83%
8	MERCHANT BANK OF SRI LANKA & FINANCE PLC 01	556,585	0.61%
9	MS. MADANASINGHE IMANDIE THANUDARA	549,136	0.60%
10	MERCHANT BANK OF SRI LANKA & FINANCE PLC/P. PRIYANTHA	545,000	0.60%
11	MR. SENAWIRATHNA EPARALALAGE CHATHURANGA PRABHATH SENAWIRATHNA	530,000	0.58%
12	MR. RENUKA CHAMINDA RAJAPAKSA	450,000	0.50%
13	DFCC BANK PLC/K.G. GEEKIYAYANA	401,022	0.44%
14	MR. MUHANDIRAM RALLAGE NISHANTHA ROHANA KUMARA	400,000	0.44%
15	PEOPLE'S LEASING & FINANCE PLC/THAPROBAN PAVILION(PVT)LTD	385,000	0.42%
16	MRS. RAJAPAKSHA ARACHCHILAGE CHAMALI IROSHIKA	361,615	0.40%
17	RANFER TEAS PRIVATE LIMITED	350,000	0.39%
18	MR. BALASOORIYAGE YUKSHAN SADEEP PERERA	326,000	0.36%
19	MR. KALANA GAYAN GEEKIYANA	325,808	0.36%
20	MR. KAHAWALAGE SAMAN SANJEEWA KUMARA	325,200	0.36%
		58,593,493	64.48%

4. Market Prices of shares during 2023

	Rs.
Highest Market price per Share	5.20
Lowest Market price per Share	3.30
Last Traded Price per Share	3.40
(Loss)/Earnings Per Share 2023 (LKR)	(0.08)
Net assets value per shares (LKR)	2.42

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

Company	E M L Consultants PLC
Registered Office	6/10, Rajamahavihara Road, Pita Kotte, Sri Lanka Tel: +94 11 5535880 Fax: +94 11 2854762 Email : info@emlconsultants.com Web: www.emlconsultants.com
Date, Place and Authority of Incorporation	Incorporated as a Private Limited Liability company on 10 th 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 rd April 2007. The Company was re-registered under Companies Act No. 07 of 2007 on 14 th January 2008. The Company has changed its status to a Limited Liability Company on 9 th June 2021 and 09 th November 2021 as Public Quoted company in terms of Companies Act No. 7 of 2007 - incorporated in Colombo
Company Registration Number	PQ 00240481
Board of Directors	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
Company Secretary and Registrars	Business Intelligence (Pvt) Limited No 8, Tickell Road, Colombo 8. Tel – 00 94 11 2015913 (Dir), 2015900 (Gen) Fax – 00 94 11 201596
Company Lawyer	Kularatne & Pieris Associates – Attorneys at Law and Notaries Public No 4/2, D. J. Wijesiriwardana Road, Mount Lavinia Tel: 077 7759297
Auditors to the Company	MGI KAL Rupasinghe & Co., Chartered Accountants No. 6, Balahenamulla Lane, Kirulapona Colombo 06 Tel: 011 2815655 Fax: 011 2199819

Tax Identification Number	114106933
Bankers:	<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>

:

27 NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting of EML Consultants PLC will be held on 26th June 2024 at 10.00 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 31st December 2023 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.

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**

Secretaries
27.05.2024

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@mssl.lk or 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

failing him,

- | | |
|-----------------------------|----------------|
| Mr. K. Hettiarachchi | or failing him |
| Mr. K. P. P. H. Mihiripenna | or failing him |
| Mr. T. Hewawasam | or failing him |
| Mr. K. A. K. Jayatilake | or failing him |
| Mr. H. N. J. Chandrasekera | or failing him |

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 **26th June 2024 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

For Against Abstained

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 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 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) Mr. Tilak Hewawasam as a Director of the Company, | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-appoint the retiring auditors M/s. MGI KAL Rupasinghe & Company Chartered Accountants for the ensuing year and authorize Directors to determine their remuneration. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

As witness my/our hands this day of 2024

.....
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@mssl.lk or 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.