



CESL
POWERING TECHNOLOGY



**CENTRAL ENGINEERING
SERVICES (PVT) LTD.**

ANNUAL REPORT

2024

We are ISO 9001, ISO 14001 & ISO 45001 Certified,

CIDA CS2 Registered Company



MINISTRY OF IRRIGATION
A Fully Owned Subsidiary of CECB





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ABOUT US

Who We Are....?

Central Engineering Services (Pvt) Ltd. (CESL) is a fully owned subsidiary of the Central Engineering Consultancy Bureau (CECB), incorporated as a Limited Liability Company in December 2003, under the Companies Act No. 17 of 1982 and re-registered in November 2009 under the Companies Act No. 7 of 2007.

CESL became actively operational at the beginning of 2011, to make use of the opportunity created by the high demand for construction services, as a result of the construction boom during this period. CESL took up the challenges which the industry offered, gaining construction management and technical exposure, as well as its project management know how by working alongside CECB. The Core business of CESL is centered on the construction of Buildings, Roads, Bridges, Irrigation Structures and other Special Projects. The company is also involved in the production of concrete and asphalt for its projects.

CESL construction serves clients in the public sector as well as the private sector. CESL has earned the trust of Government officials, business leaders and administrators by meeting time targets, again on all types of institutional construction projects. Our early entry into the industry as Consultants, under the CECB umbrella, way back in 1973, has taught us many lessons, that presently act as a source of motivation. Also the construction experience obtained under the EPC division of CECB has created a sustainable business environment.



Vision...

“To be the unique model for the construction industry by prioritizing the Environmental Sustainability.”



Mission...

“Acquiring excellence in construction industry with new technologies and process innovation with a highly motivated, trained staff whose contribution is adequately recognized.”



Corporate Goals...

- 01 To successfully face the globalized construction industry by establishing a modern, effective, and efficient management culture within the organization.
- 02 To improve the productivity and efficiency of all processes to become a competitive player in the industry.
- 03 To expand CESL's market share in both local and international construction markets.
- 04 To enhance the organization's stability through business innovation and diversification.
- 05 To enhance employee satisfaction, team spirit, and physical and mental well-being.
- 06 To become a leader in sustainable construction practices and enhance the organization's brand image.

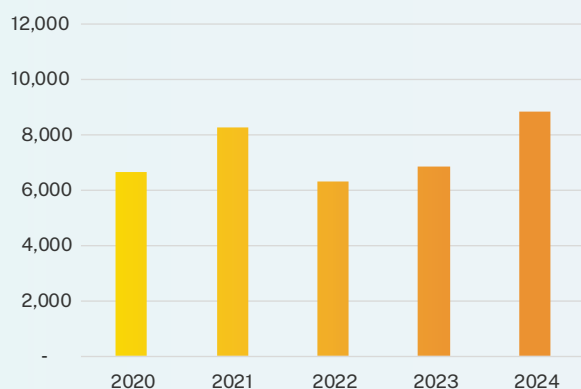
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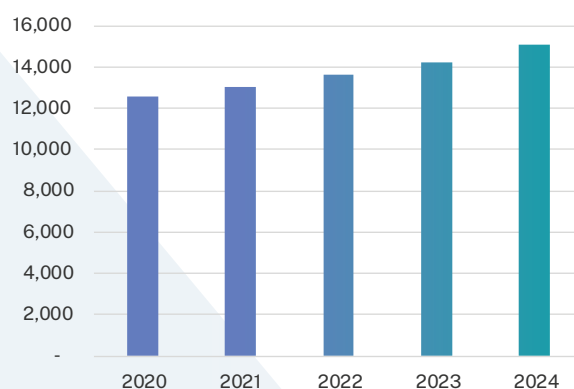
FINANCIAL HIGHLIGHTS

	2024 Rs. Mn	2023 Rs. Mn	2022 Rs. Mn	2021 Rs. Mn	2020 Rs. Mn
Construction Revenue	8,724	6,854	6,332	8,298	6,694
Gross Profit	1,058	470	636	840	622
Net Profit Before Tax	664	302	254	254	70
Net Profit After Tax	525	184	160	210	59
Total Assets	15,081	14,213	13,609	13,033	12,558
Contributed Capital	10	10	10	10	10
Total Equity	1,888	1,367	1,226	1,063	856
Total Equity Equilibrium	15,081	14,213	13,609	13,033	12,558
Current Assets	14,439	13,583	12,983	12,442	11,947
Current Laibilities	11,569	11,225	10,802	10,493	10,011

Construction Revenue (Rs. Mn)



Total Assets (Rs. Mn)



Construction Revenue (Rs. Mn)					Total Assets (Rs. Mn)				
2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
6,694	8,298	6,332	6,854	8,724	12,558	13,033	13,609	14,213	15,081

CHAIRMAN'S MESSAGE



It is my pleasure and privilege to present the Annual Report and Consolidated Accounts of Central Engineering Services (PVT) Ltd.(CESL) for the financial year 2024. At the outset, let me thank the Hon. Minister of Agriculture, Lands and Irrigation for his confidence in appointing me as Chairman of the parent organization, Central Engineering Consultancy Bureau and concurrently Chairman of Central Engineering Services (PVT) Ltd. I also wish to take this opportunity to place on record our appreciations to outgoing Chairman, Eng. Sunil Perera and the Board who steered CESL during its difficult period in 2024.

Although Sri Lankan economy showed modest signs of recovery during the year, political uncertainty continued until the conclusion of presidential and parliamentary elections in September and November 2024 to bring in a measure of stability. Despite the challenging business climate and significantly reduced activity in the construction sector, I am pleased to report that CESL has maintained its strategic focus and achieved a construction revenue of Rs. 8.72 billion in 2024, a creditable 27.3% increase over the year 2023 revenue of Rs.6.85 billion and achieving Rs.525million in post-tax profit. During the year, a cumulative sum of Rs.139 million was remitted to the Government in the form of taxes and other statutory levies. Though CESL has successfully completed several significant national infrastructure projects with various Ministries during this period, the prolonged payment delays in government projects continue to place pressure on the Company's financial position.

Apart from conventional construction projects CESL has proactively introduced innovative measures to navigate market challenges. I am pleased to note that, in response to these challenges, CESL has strategically diversified into emerging engineering sectors such as sustainable energy, solar power, green construction initiatives, geospatial engineering, digital transformation steps such as BIM modelling etc. CESL is also making significant efforts to enter international infrastructure markets, through its hub in Abu Dhabi.

In closing, let me extend my sincere appreciation to my fellow Board Members for their steadfast support and guidance. My special thanks to Eng. S.B.A.D. Semasinghe, Chief Executive Officer, for his leadership and dedication, to higher operational management for their commitment, and most importantly, the trained and experienced staff, who remain most valuable asset of CESL.

Eng. A.P. Jayathissa
Chairman - CESL

CEO'S MESSAGE



It is with great pride and purpose that I present to you the Annual Report for the financial year 2024. This report not only reflects our performance over the past year but also serves as a testament to our unwavering commitment to resilience, innovation, and growth amidst challenging times.

At the outset, I take this opportunity to extend our warmest congratulations and best wishes to the newly appointed Hon. Minister of Agriculture, Lands, and Irrigation. We look forward to working in alignment with the Ministry under your stewardship as we continue to contribute meaningfully to national development.

The past year has presented significant challenges, particularly with the continued downturn in the economy and the construction industry.

However, I am proud to say that our organization has not only withstood these adversities but has emerged stronger. Our resilience is the result of collective determination, strategic foresight, and an unyielding commitment to our vision.

We have remained firmly aligned with the government's mandate on responsible and forward-looking construction practices. Guided by this, we have taken bold steps toward transforming our operational landscape and service offerings.

Established dedicated international liaison units aimed at engaging with the global construction industry. As a part of this initiative, we are proud to have inaugurated our branch office in the United Arab Emirates, a global hub for innovation in construction and infrastructure.

Launched a Geospatial Engineering Unit focused on mapping and survey services. This unit addresses a long-standing national requirement and strengthens our capacity to offer reliable, state-driven engineering services powered by local expertise.

Formed a specialized Digital Engineering Unit to meet the rapidly evolving demands of the digital construction era. With the rise of BIM, data-driven design, and digital twins, this unit positions us as a future-ready organization at the forefront of digital transformation in the sector.

Our vision remains steadfast: to lead the way in introducing innovative, advanced construction techniques that align with both national priorities and global best practices. We continue to invest in our people, technology, and partnerships to realize this vision.

I would like to express my deep appreciation to my fellow Board Members for their unwavering leadership and guidance. To the senior management team, I extend my heartfelt thanks for their dedication and strategic direction. Most importantly, I extend my sincere gratitude to all our staff members our greatest asset for their commitment, professionalism, and tireless contributions throughout the year.

Together, we look ahead with optimism and confidence, ready to build not just structures, but a stronger, more resilient future for our nation.

Eng. S.B.A.D. Semasinghe
Chief Executive Officer - CESL

CURRENT BOARD OF DIRECTORS



Eng. A.P. Jayathissa - Chairman

BSc. Eng, C.Eng, MIE (SL)

Appointed Chairman of the Board on 18th December 2024, and concurrently serves as Chairman of Central Engineering Services (Pvt) Ltd (CESL), the construction subsidiary of CECB.

He holds a Bachelor of Science in Civil Engineering from the University of Peradeniya, Sri Lanka (1995), and a Chartered Member of the Institution of Engineers, Sri Lanka, and Member of the Geotechnical Society, Sri Lanka. He has pursued a postgraduate MSc in Construction Management at The Open University of Sri Lanka, completed Diploma in Commercial Arbitration and a Project Management professional (PMP).

With over 29 years of experience in construction and construction supervision, he is a skilled contract manager with expertise in risk management, contract preparation, and service coordination. He effectively administers contract terms, overseeing progress and deliverables. His experience spans diverse projects, including buildings, roads, bridges, infrastructure, high-tension power lines, an oil and gas field (Oman), construction of nuclear power plant structures (UAE-Abu Dhabi), and detailed design of roads and bridges. He is adept at managing contract timelines and maintaining strict schedules. He works effectively with cross-functional teams to ensure operational and service excellence. His local experience includes construction, construction supervision of infrastructure, roads, and bridges, and contract administration.

He brings to the Board his specialized knowledge and wide expertise in Civil Engineering gained in managing diverse projects undertaken internally and in Sri Lanka.



Eng. A.M.D.B. Atapattu - Director

BSc. Eng, C.Eng, MIE (SL)

Appointed Director of the Board with effect from 07th February 2025, and concurrently serves as one of the director of Central Engineering Services (Pvt) Ltd (CESL), the construction subsidiary of CECB.

He holds a Bachelor of Science in Mechanical Engineering from the University of Peradeniya, Sri Lanka (1995), and a Chartered Member of the Institution of Engineers, Sri Lanka.

With over 29 years of experience in construction and construction supervision, he is a skilled contract manager with expertise in risk management, contract preparation, and service coordination. He effectively administers contract terms, overseeing progress and deliverables. His experience spans diverse projects, including Power Plant Constructions & Operations All kind of new irrigation and water control steel gate construction and installation such as Rajanganaya reservoir, Minipe Left bank, Muthiyankattuwa, Colombo flood controlling gates and rehabilitation projects such as Victoria, Polgolla. Rehabilitation project of Hydro power plants of Ukuwela, Bowathanna, Samanalawawa, Galoya, Laxapana are directly involved and further Most of the rehabilitation and rectification work of Norochcholai Coal Power Plant, Kalanitissa and Sapugaskanda. Fuel tank construction work for Katunayake International Airport and Steel pipe line Installation at KRB Water Treatment Plant and Pipe fabrication and installation of Abatale are uncounted. Steel bridge construction for water Board, Tower Line Construction from Narammala to Thulhiriya, Steel Sylo Installation for CIC were some of the different areas. He is adept at managing contract timelines and maintaining strict schedules. He works effectively with cross-functional teams to ensure operational and service excellence.

He brings to the Board his specialized knowledge and wide expertise in Mechanical Engineering gained in managing diverse projects undertaken local authorities as well as international parties.



Mrs. J.K.N. Samanmalee - Director

*BSC (Management) USJP, Master of Public Administration (PIM),
MA in Economics (International University of Japan)*

Appointed Director of the Board with effect from 07th February 2025, and concurrently serves as one of the Director of Central Engineering Services (Pvt) Ltd (CESL), the construction subsidiary of CECB.

J.K.N. Samanmalee is a public finance professional with over two decades of experience in Sri Lanka's public sector. She currently serves as Director of the Department of Trade and Investment Policy at the Ministry of Finance. Prior to this, she was Director (Revenue) at the Department of Treasury Operations and previously

served in multiple senior roles at the Department of State Accounts. She began her career as Assistant Land Commissioner (Finance) at the Land Commissioner General's Department.

She holds a Master of Arts in Economics from the International University of Japan, a Master of Public Administration from the University of Sri Jayewardenepura's Postgraduate Institute of Management, and a BSc in Management (Public) Special Degree with Second Class Upper Division honours from the same university.

In addition to her academic credentials, she is a qualified member of the Chartered Institute of Public Finance and Accounting (CIPFA), London, and part-qualified with the Institute of Chartered Accountants of Sri Lanka. She has also contributed to academia as a Teaching Assistant in Macroeconomics and Econometrics at the International University of Japan. Her professional service includes board roles with SD&CC, the Sri Lanka Accreditation Board, and the Central Engineering Consultancy Bureau, where she currently serves.

Combines strong academic credentials with over two decades of extensive experience in public financial management, fiscal policy, and governance contributes valuable insights to the Board's strategic oversight and decision-making.



Mr. M.B.L. Rahuman - Director

MA (Public Administration), PGDip. (Edu.) LL.B - (Colombo)

Appointed as Director of the Board with effect from 26th February 2025, and concurrently serves as one of the Director of Central Engineering Services (Pvt) Ltd (CESL), the construction subsidiary of CECB.

After completion of the prescribed seven-year course of studies in Islamic Studies and Arabic language, he was awarded AL- SHAHADAH AL- ALIYAH (Licentiate) in 1996 by the management committee of Jamiah Naleemiah in Beruwala - Sri Lanka. He completed his bachelor Degree in field of law at University of Colombo.

Furthermore, he holds bachelor of arts from University of Peradeniya as an external candidate and pursued post Graduate Diploma in Education in the Open University of Sri Lanka in 2000. He completed his Master Degree in Public Administration at Madurai Kamaraja University in India in 2010.

He entered into Sri Lanka Administrative Service in 2003 and had been worked in different capacities in the Ministry of Health. He was promoted to special Grade in Sri Lanka Administrative Service in 2024. He has been working as Additional Secretary (Establishment, Legal & investigation) at Ministry of Agriculture, Livestock, Lands and Irrigation.

He served as a member of Governing Council of the Sri Lanka Accreditation Board for conformity assessment (SLAB) in 2019 and served as a member of board of Governors of Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI) in 2024.

As an Administrative Expert he has been adding values to the board of Central Engineering Services (Pvt) Ltd.



Eng. S. A. U. D. C. Siriwardhana - Director

B.Sc. Eng.(Hons) Sri Lanka, M.Sc. (Hydraulic Engineering and River Basin Development) Netherlands, C.Eng., MIE(Sri Lanka), M Cons. E (SL), MICOLD (SL), Member of SLGES, Registered Structural Engineer (SL)

Appointed to the Board of Directors on 03.06.2020, and concurrently serves as a General Manager in Central Engineering Consultancy Bureau, the parent organization of CESL.

Eng. Siriwardhana is a hydraulic and structural engineer who received his MSc in Hydraulic Engineering and River Basin Development from IHE-Delft, Netherlands.

He has obtained his first degree, BSc. Engineering in Civil from the Faculty of Engineering, University of Peradeniya - Sri Lanka. Immediate after his first degree he was attached to the Faculty as an Instructor. Later in 1997 he joined the current organization; CECB as a Design Engineer and subsequently he served as a Resident Engineer, a Senior Design Engineer, a Specialist Engineer and a Project Manager in the field of structural Designs, Construction Supervision and Project Management.

He was appointed as a Deputy General Manager (Water Resources) from year 2009 and involved with differentscaled water resources development projects in the country and as well as in overseas. In year 2015, he was promoted as the Additional General Manger (Water Resources & Planning) in the Organization. Eng. Siriwardhana specializes in the fields of Hydraulic & Hydropower engineering, Structural Engineering and Water Resources Engineering. He also a certified/registered structural engineer in Sri Lanka for all categories of buildings and structures. He counts over 25 years of experience in the field of Civil Engineering.



Eng. S.S.A. Kalugaldeniya - Director

BSc. Eng.(Hons.), M.Sc.(Structural - Japan), MBA(J'Pura), CEng., MIE(SL), MSSE (SL)

Appointed to the Board of Directors on 24.05.2023, and concurrently serves as the Corporate Additional General Manager (Designs) in Central Engineering Consultancy Bureau, the parent organization of CESL.

With over 25 years of experience in engineering and management, primarily with CECB, he began his career in 1999 as a Design Engineer. In 2006, he received a JICA scholarship to further his studies in Japan, and upon his return in 2008, he was promoted to Specialist Engineer in Structural Design. His career continued to

progress as he was appointed Deputy General Manager of Structural Design in 2014, and then Additional General Manager - Design 3 in 2015.

During his tenure at CECB, he has contributed to numerous key national projects, such as the Hambantota Airport Development Project, Defence Headquarters Project, Relocation of Manning Market Project, Metro Colombo Solid Waste Design Review, Port City Development Project, Kaluganga Reservoir Development, and Sethsiripaya Stage II and III Development projects.

In addition to overseeing structural designs, he has taken on various responsibilities, serving as Additional General.



Mrs. G.V.A.R.M. De Silva - Director

ACA,ACMA,CGMA

Appointed to the Board as a Director with effect from 26th February 2025 and concurrently serves as the Acting Deputy General Manager (Finance) of the Central Engineering Consultancy Bureau (CECB), the parent organization of Central Engineering Services (Pvt) Ltd (CESL).

Ms. De Silva is a qualified finance professional with over 15 years of experience in financial management, accounting, and auditing across both the public and private sectors. She is a member of the Institute of Chartered Accountants of Sri Lanka

(ACA) and holds membership with the Chartered Institute of Management Accountants (CIMA – UK) and the Chartered Global Management Accountant (CGMA – UK). She is currently reading for her Master of Business Administration.

Ms. De Silva appointed as A/Deputy General Manager – Finance at the Central Engineering Consultancy Bureau in July 2023 and from June 2011 to June 2023 she served as Corporate Accountant. Prior to joining CECB, Ms.A De Silva served in MAS Linea Aqua (Pvt) Ltd at managerial level for two years and was employed at KPMG Sri Lanka, one of the largest global professional services firms, for four years. During this time, she gained extensive experience in external audit, financial reporting, cost analysis, and internal control systems. She has successfully led audit teams, managed engagements involving listed companies and financial institutions, and has implemented financial controls aligned with strategic organizational goals.

PAST BOARD OF DIRECTORS



Eng. B.A.S.S. Perera - Chairman

B. Sc. (Eng.), MBA, Chartered Engineer



Eng. G. D. A. Piyatilake - Director

*B. Sc. Eng. (Hons), PG. Dip. (Const.Mgt),
PG. Dip. (Port & Coastal Eng.) Norway, MIE(SL) C. Eng., MASCE*



Ms. B.N. Gamage - Director

B. Sc. (Hons), MBA, MPM



Eng. (Ms.) P.M. Jayadeera - Director

*B. Sc. Eng. (Hons) Moratuwa, M. Eng. (Water Resources
Engineering & Management) Moratuwa, C.Eng., MIE(SL)*



Eng. S. A. U. D. C. Siriwardhana - Director

*B. Sc. Eng. (Hons) Sri Lanka, M. Sc. (Hydraulic Eng.)
Netherlands, C. Eng., MIE (SL), M Cons. E (SL),
M SLNCOLD (SL), Registered Structural Engineer (SL)*



Eng. S.S.A. Kalugaldeniya - Director

*BSc. Eng.(Hons.), M.Sc.(Structural - Japan),
MBA(J'Pura), CEng., MIE(SL), MSSE (SL)*

DIRECTORS REPORT

Annual Report of the Board of Directors on the Affairs of the Company

The Directors of Central Engineering Services (Pvt) Ltd have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st December 2024. This Annual Report of the Board of Directors on the affairs of the Company contains the information required in terms of the Companies Act No. 07 of 2007.

● GENERAL

Central Engineering Services (Pvt) Ltd was incorporated in terms of the Companies Act No. 17 of 1982 and was re-registered as per the Companies Act No. 07 of 2007 on 6th November 2009 with PV 16723 as the new number assigned to the Company.

● PRINCIPAL ACTIVITIES OF THE COMPANY AND REVIEW OF PERFORMANCE DURING THE YEAR

The principal activities of the Company are referred to in Note 1.2 of the Notes to the Financial Statements. This Report together with the Financial Statements reflects the state of affairs of the Company.

● FINANCIAL STATEMENTS

The Financial Statements of the company prepared in-line with applicable accounting standards and regulatory requirements, inclusive of specific disclosures, duly signed by two Directors on behalf of the Board and the Auditors are included in this Annual Report and forms part and parcel hereof.

● INDEPENDENT AUDITORS' REPORT

The Report of the Independent Auditors on the Financial Statements of the Company is given on pages 28 to 35.

● ACCOUNTING POLICIES

The accounting policies adopted in the preparation of Financial Statements of the Company are given on pages 41 to 76 of the Annual Report. The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) and the policies adopted thereof are given on pages 41 to 76.

● DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING (CONT.)

The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS/LKASs) and the Companies Act No. 07 of 2007.

AUDITORS

The National Audit Office served as the Auditors during the year under review.

STATED CAPITAL

The stated capital of the Company is Rs. 10,000,020/-. Representing 100,002 ordinary shares.

RESERVES

The reserves of the Company with the movements during the year are given in the Statement of Changes in Equity on pages 39.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and all contributions, levies and taxes payable on behalf of, and in respect of employees of the Company and all other known statutory dues as were due and payable by the Company as at the Statement of Financial Position date have been paid or, where relevant provided.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no material events as at the date of the Auditors' Report which require adjustment to or disclosure in the Financial Statements.

MEETINGS AND ATTENDANCE

The Board met in 08 Occasions during the Financial year 2024 and the attendance of the Board of Directors was as follows.

Name	Position	2024							
		10 th Jan.	16 th Feb.	18 th March	26 th April	06 th June	09 th July	21 st Aug.	12 th Sep.
Eng. B.A.S.S. Perera	Chairman	√	√	√	√	√	√	√	√
Eng. G.D.A. Piyatilake	Director	√	√	√	√	√	√	√	√
Ms. B.N. Gamage	Director	√	√	√	√	√	√	√	√
Eng.(Ms) P.M. Jayadeera	Director	√	√	√	√	√	√	√	√
Eng. S.A.U.D.C. Siriwardhana	Director	√	√	√	√	√	√	√	√
Eng. S.S.A. Kalugaldeniya	Director	-	√	√	√	√	√	√	√

AUDIT COMMITTEE REPORTS

● Role of the Audit Committee

The Audit Committee of CESL is appointed by the Board of Directors of the CESL.

● Meetings and Attendance

The Audit committee meeting in 03 Occasions during the Financial year 2024 and the attendance are as follows.

Name	Position	2024		
		12 th January	02 nd May	02 nd August
Eng. B.A.S.S. Perera	Chairman of the CESL	√	√	√
Ms. B.N. Gamage	Chairman of the Committee/ Director	√	√	√
Eng. S.A.U.D.C. Siriwardhana	Director	√	√	√
Eng. S.S.A. Kalugaldeniya	Director	√	√	√

● Scope of the Committee

- Determination of the responsibilities of the Internal Audit Unit and review of the annual Audit Plan.
- Review and evaluate internal control systems for all activities of the entity.
- Review performance at regular intervals for cost effectiveness and to eliminate wasteful expenditure etc.
- Liaise with external auditors and follow up on Auditor General's/external auditors Management letters.
- Ascertain whether statutes, regulations, rules, and circulars are complied with.
- Review financial statements to ensure compliance with Accounting Standards.
- Review internal audit/external audit reports, Management Letters for remedial action.
- Review implementation of recommendations/directives of the Committee on Public Enterprises.

● Authority

- The Committee is authorized by the Board to perform activities within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- The Committee shall report to the Board any suspected frauds or irregularities, failures of internal control or suspected infringements of laws, rules and regulations which come to its attention.
- Obtain outside legal or independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

SERVICE SECTORS

BUILDINGS (CIDA GRADE - CS2)

CESL has been in the forefront of the Design and Construction of Buildings on Design and Build basis. Construction work undertaken so far, ranges from Buildings (multi-storied buildings, factory type, iconic, etc.) to entire township developments throughout the island.

In addition, CESL has also undertaken the rehabilitation and refurbishment of buildings of an archaeologically important nature.

CESL largely depends on its In-house expertise. However, in special cases CESL engages relevant personnel such as reputed Architects to strengthen its project teams, and to handle specific requirements of a project.

CESL engaged to construct various functional buildings, such as;

- Hospitals
- Commercial Buildings
- Administration and Office Buildings
- Hostels
- Recreational Buildings
- Sports Complexes
- Apartments
- Public Buildings
- Universities Infrastructure
- Court Complexes
- Prison Complexes



ROADS

CESL, has many years of experience in planning, designing and construction of Roads in Sri Lanka.

The firm's rich experience includes;

- Construction of Trunk Roads/ Arterial Roads/ Elevated Roads/ etc., and widening.
- Rehabilitation, upgrading and resurfacing of existing roads.
- Construction of Guard Rails, Road Furniture, etc.



BRIDGES & CULVERTS

CESL has wide experience in the design and construction of bridges and culverts in the country.

Over the years CESL has gained a high reputation in the design, construction and installation of;

- Concrete and Steel Flyovers/ Concrete, Steel and Composite Bridges/ Pedestrian Bridges/ Overpass Bridges.
- Rehabilitation and strengthening of existing bridges.
- Drainage structures such as culverts, lined roadside drains and lead way drains.



IRRIGATION STRUCTURES

The engineering expertise of the CESL in the field of Irrigation extends to the designing, planning, execution and commissioning of large scale Irrigation projects, including the following;

- Augmentation
- Rehabilitation & construction of reservoirs
- Canals
- Anicuts
- Earthen dams
- Regulation structures
- Weirs
- Hydraulic structures



SEWAGE & WATER TREATMENT PLANTS

CESL engaged to Constructing, Augmentation, Rehabilitation and Improvement of Sewage & Water Treatment Plants, such as;

- Zoo
- Hostels
- Hospitals
- Office
- Hatcheries



CONSTRUCTION IN ENVIRONMENTAL SENSITIVE AREAS

In areas of great natural beauty and sensitive natural environments, special care has to be taken in the construction of any required structures and this often poses a challenge for engineers and developers. But with the right technology, forethought and consideration, it can be done.

- Undertaking constructions within world heritage Sites.
- Constructions within wild life sanctuary limits.
- Developing Zoological Garden & Safari Parks.
- Bio Diversity Parks, Nature Trails & Parks.
- Forestry Institutes, Wildlife Institutes.



HYDROPOWER & RENEWABLE ENERGY

We are a professional hydropower & renewable energy services and solutions provider addressing electricity and energy challenges by improving access to and promoting adoption of clean and energy efficient technologies.

This is being achieved through the efforts of our knowledge driven team and network of internationally qualified experts within the fields of renewable energy technologies sustainable development and engineering.

We are dedicated to creating sustainable solutions and enriching lives by reducing energy poverty, providing long lasting and consistent solutions for households, businesses and communities by using the renewable energy sources of Hydro power, solar and wind.



GEO-TECHNICAL ENGINEERING

We are experts in technology driven solutions for soil reinforcement and ground stabilization. Our Strength is the highly experienced staff of geotechnical engineers, geologist and technicians. We combine our experience and technical resources to produce cost-effective geotechnical and engineering solutions.

We provide highest quality services and consultation to our customers with suitable systems and solutions.

- Geotechnical exploration and investigation
- Foundation and foundation soil improvement
- Land slide mitigation
- Slope Stabilization
- Slope and rock fall protection
- Geophysical Surveyingc.

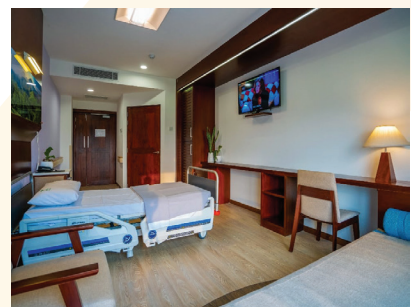


INTERIOR DESIGN

Specialized in providing turnkey design solutions for high end residential luxury homes and commercial projects.

We have achieved success with our ability to create luxurious, sophisticated interiors of timeless quality, extraordinary design, and functionality, infused with client's personal style and desires. Most importantly we respect our client's budget and established timeline.

- Design Consultation
- Lighting Designs
- Space Planning
- Furniture Layout



GEOSPATIAL ENGINEERING

We are always ready to streamline operations, enhance productivity, and optimize a full range of geospatial technologies that enable surveying, mapping growth with our high-end precise Geospatial Engineering Solutions. CESL offers designing, environmental engineering and modeling, and analytics services.

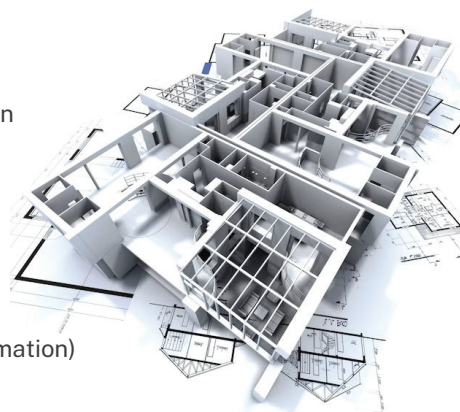
- LiDAR Drone Arial Surveying and Mapping
- Topographic Survey
- Geomatic Services
- DGPS Services
- Underground Utility Locating and Mapping
- Electromagnetic Sub-Surface Investigation and Modelling
- 2D and 3D Lacer scanning and Modelling
- Training and Development
- Hydrographic Survey
- Consultation
- Environmental Assessments
- Research and Development
- Application Development
- Transient Electromagnetic Geophysical Services



DIGITAL ENGINEERING

Our Digital Engineering services enable smarter design, construction, and asset management through advanced Building Information Modeling (BIM) and related technologies. We offers;

- BIM Service Management
- Architectural Model Creation
- Structural Model Creation
- MEP Model Creation
- Civil Model Creation
- 5D BIM (Accurate Cost Estimation)
- Scan to BIM



REVIEW OF BUSINESS OPERATIONS

Design, Construction and Commissioning of a Three Storied Building for the Library of Vaunia Campus, University of Jaffna at Pampaimadu

- **Name of the Client:** Ministry of Higher Education
- **Current Status:** Completed
- **Completed Year:** 2024
- **Contract Sum:** LKR 355 Mn.
- **Location:** Pampaimadu



Construction of Proposed Nephrology, Dialysis & Transplant Unit at Teaching Hospital, Karapitiya, Galle

- **Name of the Client:** Ministry of Health, Nutrition & Indigenous Medicine
- **Current Status:** Completed
- **Completed Year:** 2024
- **Contract Sum:** LKR 713 Mn.
- **Location:** Karapitiya, Galle



Proposed Development for New Matara Godagama General Hospital for Dayata Kirula

- **Name of the Client:** Ministry of Health, Nutrition & Indigenous Medicine
- **Current Status:** Completed
- **Completed Year:** 2024
- **Contract Sum:** LKR 608 Mn.
- **Location:** Godagama, Matara



Construction of Provincial level Sports Complex at Rathnapura

- **Name of the Client:** Ministry of Sport
- **Current Status:** Completed
- **Completed Year:** 2024
- **Contract Sum:** LKR 445 Mn.
- **Location:** Rathnapura



Construction of Equipment Building for Sri Lanka Telecom PLC at Browns Hill - Matara

- **Name of the Client:** Sri Lanka Telecom PLC
- **Current Status:** Completed
- **Completed Year:** 2024
- **Contract Sum:** LKR 209 Mn.
- **Location:** Matara



Design, Construction, Supervision, Commissioning, Completion and Maintenance of Two Buildings for the Southern Center for Naval Studies and Shipping for the Faculty of Engineering, University of Ruhuna, Hapugala, Galle

- **Name of the Client:** University of Ruhuna
- **Current Status:** Completed
- **Completed Year:** 2024
- **Contract Sum:** LKR 595 Mn.
- **Location:** Hapugala, Galle



Renovation of the Office Building of the Judicial Service Commission

- **Name of the Client:** Judicial Service Commission
- **Current Status:** Completed
- **Completed Year:** 2024
- **Contract Sum:** LKR 117 Mn.
- **Location:** Colombo



Township Development Project at Wayamba University of Sri Lanka, Kuliapitiya

- **Name of the Client:** Ministry of Higher Education
- **Current Status:** Ongoing
- **Contract Sum:** LKR 2,950 Mn.
- **Location:** Kuliapitiya



National College of Education and Teachers Training Center for Teaching Stream at Narangolla, Kuliyaipitiya - Korea International Cooperation Agency (KOICA) Scope

- **Name of the Client:** Ministry of Higher Education
- **Current Status:** Ongoing
- **Contract Sum:** LKR 940 Mn.
- **Location:** Narangolla, Kuliyaipitiya



FINANCIAL STATEMENTS

- 
- Independent Auditors' Report
 - Statement of Comprehensive Income
 - Statement of Financial Position
 - Statement of Changes In Equity
 - Cash Flow Statement
 - Notes to the Financial Statements

Independent Auditors' Report



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No

CAE/D/CESL/09/FS/2024/01

දිනය
திகதி
Date

09 June 2025

Chairman

Central Engineering Services (Private) Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Central Engineering Services (Private) Limited for the year ended 31st December 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

Audit of the financial statements of the Central Engineering Services (Private) Ltd ('Company') as at 31st December 2024 consisting of the statement of financial position, statement of comprehensive income for the year then ended, the statements of equity, statements of cash flow for the year then ended and relevant notes to the financial statements includes information relevant to the significant accounting policies for the year ended 31st December 2024 was carried out under my direction in pursuance of the provisions set out in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read with the National Audit Act No.19 of 2018. According to Article 154 (6) of the Constitution, my report will be tabled in Parliament in due course.

In my opinion, except for the matters described in the Section of the Basis for Qualified Opinion of my report, the financial statements of the Company present a true and fair view of its financial position and financial performance as at 31st December 2024 including its cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

අංක 306/72, පොල්දූව පාර, මත්තරමුල්ල, ශ්‍රී ලංකාව.

இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை.

No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.



+94 11 2 88 70 78 - 34



+94 11 2 88 70 73



ag@auditorgeneral.gov.lk



www.naosl.gov.lk

1.2 Basis for Qualified Opinion

- (a) Although it is mentioned that the estimated useful span of property, plant and equipment should be reviewed annually in accordance with paragraph 51 of Sri Lanka Accounting Standard No.16 and as per Note No.2.3.6 of the Company's financial statements, the Company has continued to use the assets without reassessing the useful economic span of the property, plant and equipment, which had a fully depreciated cost of Rs. 883.88 million as at 31st December 2024, and without adjusting the estimates and including the correct carrying amount in the financial statements, in accordance with Sri Lanka Accounting Standard No.08.
- (b) The other income for the year under review had been overstated by the inclusion of an adjustment of over-depreciated amount in disposal from previous years of Rs. 1.69 million in the asset disposal profit of Rs. 2.74 million shown under other income for the year under review.
- (c) The Company had recognized Rs. 62.16 million and Rs. 2242.95 million respectively as trade creditors and work commencement advances payable to the Company's parent Company, which is Central Engineering Consultancy Bureau. The Parent Company had recognized Rs. 53.20 million and Rs. 2239.57 million respectively as receivable trade debtors and work commencement advances in its accounts. Accordingly, there had been a difference of Rs. 8.96 million and Rs. 3.37 million respectively in the balances of trade debtors/creditors and work commencement advances receivable/payable in the financial statements of the Company and the Parent Company.
- (d) During the Annual Board of Survey and Asset Verification conducted in January 2024, it was revealed that there had been an excess of many inventory and asset items belonging to 03 project units in Galle and Matara in the Southern Province, and that fixed assets removed through auctions and other activities continued to exist in the Enterprise Resource Planning (ERP) System, and also that there had been deficiencies in several asset items. However, the financial value of those excesses and deficiencies had not been adjusted in the system and included in the financial statements even by the reporting date.
- (e) According to the detailed schedules of the company's trade payables, accounts payable and trade receivables, Rs. 64.85 million, Rs. 28.42 million and Rs. 26.54 million respectively were included in the company's own name. Accordingly, the management had not paid attention to the transactions occurring between the internal units of the company in preparation of the final financial statements by making comparisons and adjustments and presenting the financial statements fairly.

- (f) Although the internal transactions between the company's Base Offices should have been removed in preparing the financial statements, the income had been overstated by the amount of Rs. 27.71 million recorded under other income.
- (g) On 28 February 2023, by signing a Memorandum of Understanding with Sri Lanka Hadabima Authority for a joint poultry breeding project and there by a Joint Venture Agreement was entered into on 09 April 2025. According to the agreement, it was agreed to share 70 percent of the net profit with the company and 30 percent with the Authority under the relevant conditions during the first 06 years. As per the financial statements of the Hadabima Authority for the year ended 31st December 2024, a net profit of Rs. 3.56 million had been earned, but no profit had been distributed to the company as per the agreement. Furthermore, the profit receivable by the company had not been recognized in the financial statements and the total cost incurred by the company for this project to date was only Rs. 87.39 million, which was shown under the company's current assets as work in progress. No disclosure had been made in the financial statements regarding the implementation of this project.

I carried out my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities falling under those standards are further described in the section of Auditor's Responsibilities for the audit of the financial statement in my report. I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the annual report 2024 of the Company

Other information means the information that has been included in the annual report 2024 of the Company expected to be provided after the date of the report of this audit but not included in the financial statements and my audit report thereof. The management shall be accountable for this other information.

Other information is not covered by my opinion for the financial statements and I do not give any confirmation or express any opinion in that regard in any manner.

With regard to my audit on the financial statements, my responsibility is to read the other information identified above, when available, and in doing so, consider whether the other information is materially inconsistent with the financial statements or with my knowledge obtained in the audit or otherwise.

Based on other information obtained by me prior to the date of this auditor's report and the activities carried out by me, if I conclude that this other information is materially misstated, I am required to report that fact. I have nothing to report in this regard.

1.4 Responsibilities of the Management and the Controlling Parties on the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern and for disclosing any matters relevant to the company's continued existence unless management either intends to liquidate the company or, in the absence of an alternative, where no other option.

The responsibility for reviewing the Company's financial reporting process lies with the controlling parties.

In accordance with subsection 16 (1) of the National Audit Act, No. 19 of 2018, the Company must maintain proper books and records of its income, expenditure, assets and liabilities to enable it to prepare annual and periodic financial statements.

1.5 Auditor's responsibilities in relation to audit of the financial statement

My 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 audit report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Sri Lankan Auditing Standards will always detect material misstatements. Fraud and error, individually or in the aggregate, can cause material misstatements, the significance of which depends on the economic decisions that users make on the basis of these financial statements.

As a part of the audit, I exercised professional judgment and professional skepticism in the audit, in accordance with the Sri Lanka Audit Standards. The followings were also carried out by me.

- In providing a basis for my audit opinion, I designed and performed the audit procedures that were appropriate to the circumstances in order to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. The effects of fraud are more significant than those of material misstatements resulting from distortion, as they arise from fraud, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control was obtained in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

- The appropriateness of accounting policies used, the reasonableness of accounting estimates made, and the related disclosures made by management were evaluated.
- The appropriateness of using the going concern basis of accounting was determined based on the audit evidence obtained regarding whether events or conditions have cast significant uncertainty on the going concern basis of accounting. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements and, if such disclosures are inadequate, to modify my opinion. However, future events or circumstances may cause the going concern to cease to exist.

I evaluated the structure and content of the financial statements to ensure that the underlying transactions and events are included properly and fairly, and the overall presentation of the financial statements, including disclosures. I communicated with controlling parties about the significant audit findings, significant internal control deficiencies, and other matters identified during my audit.

2. Report on other legal and regulatory requirements

- 2.1 The National Audit Act No. 19 of 2018 and the Companies Act No.7 of 2007 contain special provisions regarding the following requirements.
- 2.1.1 Except for the impact of the matters described in the Section of Basis for Qualified Opinion in my report, I have obtained all the information and explanations necessary for the audit in accordance with the requirements of Section 163(2) of the Companies Act, No. 7 of 2007 and Section 12(a) of the National Audit Act, No. 19 of 2018, and, from my examination, I find that the Company had maintained proper financial records.
- 2.1.2 The Company's financial statements comply with the requirements of Section 151 of the Companies Act No. 7 of 2007.
- 2.1.3 The financial statements of the Company are consistent with the previous year as required by Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.4 In accordance with the requirements of Section 6 (i) (d) (iv) of the National Audit Act, No. 19 of 2018, the recommendations I made in the previous year, except for the observations set out in Section 1.2 (a), (c), (e) of the Basis for Qualified Opinion in my report, are included in the financial statements presented.
- 2.2 Based on the procedures followed and the evidence obtained and limited to the substantive matters, nothing has come to my attention that warrants the following statement.



2.2.1 As per the requirement of Section 12(d) of the National Audit Act No. 19 of 2018, any member of the board of directors of the company has a conflict of interest directly or indirectly in relation to any contract outside the ordinary course of business of the Company.

2.2.2 According to the requirements set out Section 12(e) of the National Audit Act, No. 19 of 2018, the Company has acted in contradiction to any relevant written law or other general or special directives issued by its Board of Directors, except for the following observations.

Reference to rules/regulations

Non-compliance

(a) Sections 38 (1) c and 38 (2) of the National Audit Act, No. 19 of 2018

The Chief Accounting Officers and Accounting Officers should ensure that an effective internal control system is established and maintained for the financial control of each entity and that the effectiveness of that system should be reviewed from time to time and necessary changes should also be made accordingly to ensure the effective operation of the system. Furthermore, this review should be made in writing and a copy should be provided to the Auditor General, but this had not been done accordingly.

(b) The Manual on Operations introduced by State Enterprise Circular No. 01/2021 dated 16 November 2021

Although the company was required to maintain a formal inventory management system to manage all inventory receipts and issues, it was not possible to identify obsolete, slow-moving and non-moving items as the Enterprise Resource Planning (ERP) system used by the company was not capable of generating formal age-analysis reports.

(i) Paragraph 4.3 (iii)

Although the company should have maintained an approved recruitment policy including recruitment and promotion plan before recruiting staff for various positions, such a policy and plan had not been prepared and approved by the company as at 31st March 2025.

(ii) Paragraphs 3.2 and 3.4

(c) Paragraph 5.4.4 (iii) of the Government Procurement Guidelines - 2006

Although the advance payments made to contractors should be fully recovered before 90 percent of the due payments are made, as at 31st December 2024, the advance balances totaling Rs. 376.67 million related to the work commenced in respect of 16 projects with project work between 90 and 100 percent completed in 06 base offices had not been settled.



2.2.3 The Company has acted in a manner inconsistent with its powers, duties and functions as required by Section 12 (g) of the National Audit Act, No. 19 of 2018

2.2.4 According to the requirements of Section 12 (h) of the National Audit Act No. 19 of 2018, the Company's resources have not been procured and utilized economically, efficiently and effectively within the time limits in accordance with the relevant laws, except for the following observations:

- (a) The company had paid Rs. 15.43 million as a lump sum to the Urban Development Authority in 2019 to acquire a 60-perches land in the Ratnapura District on a 30-year lease basis, but by the end of the year under review, the company had not entered into a formal agreement with the Authority regarding this lease property. Furthermore, the company had constructed a building for the Sabaragamuwa Base Office on this land and it was observed during the audit that paying the rent without entering into a formal agreement, regardless of the legal conditions, could lead to risky and controversial situations in the construction of the buildings and use of the property.

2.3 Other Matters

- (a) According to the information provided for audit, the company had incurred operating losses of Rs. 745.47 million, Rs. 942.90 million and Rs. 667.42 million from its fully completed construction projects in the years 2024, 2023 and 2022 respectively and 35 out of 203 ongoing construction projects in the year under review had incurred a total loss of Rs. 444.49 million. The company had not taken any steps to identify the reasons behind the loss-making situation and monitor the ongoing construction projects efficiently and effectively. It was observed during the audit that this situation also affects the going concern of the company.
- (b) The company had gained a total operating profit of Rs. 190.56 million for the year under review, but the Anuradhapura Base Office, the North Western Base Office and the division in Abu Dhabi had recorded operating losses of Rs. 1.75 million, Rs. 17.85 million and Rs. 58.42 million respectively.
- (c) As at 31st December 2024, the company was required to pay Rs. 1569.40 million to the parent company, the Central Engineering Consultancy Bureau, but proper and up-to-date agreements had not been maintained between the two parties in this regard. Furthermore, since the management of the two companies had not taken any effective action to settle this balance, this balance had continuously increased since 2017.



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NATIONAL AUDIT OFFICE

- (d) As per the Statement of Financial Position as at 31st December 2024, the total outstanding balance was Rs. 3049.96 million, out of which Rs. 313.43 million and Rs. 152.85 million were outstanding for a period of 03-05 years and more than 05 years respectively, but no action had been taken to recover those balances.
- (e) A preliminary investigation committee appointed by the Chief Executive Officer of the company had revealed that due to the lack of proper segregation of duties, the lack of confidentiality of ERP passwords and the weaknesses in the internal control in the Accounts Division of the Southern Provincial Base Office, an officer working as a Stores Assistant had fraudulently obtained a total of Rs. 50.06 million from four bank current accounts belonging to the company during the period from 01 January 2021 to 13 June 2024. Of this, Rs. 0.44 million had been settled on three occasions and a further total of Rs. 49.62 million was due to the company, but the company had not taken prompt action to recover this amount and take legal and disciplinary action against the responsible parties.
- (f) Out of the creditor balance of Rs. 1671.90 million as at 31st December 2024, Rs. 400.00 million had not been settled within a period of 2 to 5 years.
- (g) As at 31st December, 2024, out of the Retention Receivable Balance of Rs. 3051.27 million, Rs. 514.87 million due for 3 to 5 years and Rs. 490.75 million due for more than 5 years had not been recovered.
- (h) Of the Retention Payable Balance of Rs. 875.45 million as at 31st December 2024, Rs. 434.44 million had not been settled for 2 to 5 years and Rs. 189.67 million had not been settled for more than 5 years.
- (i) Although a Memorandum of Understanding was signed on 28 February 2023 regarding the project of introducing new poly tunnels for vegetable cultivation at Pallekale and Kothmale farms jointly undertaken by the Company and the Sri Lanka Hadabima Authority, the relevant Board of Directors' approval was received on 18 March 2023 and a formal agreement had not been reached between the two parties even by the end of the year under review.


G. H. D. Dharmapala
Auditor General (Acting)

Statement of Comprehensive Income

For the year Ended 31 st December		CESL	
	Note	2024 Rs.	2023 Rs.
Revenue	5	8,724,149,677	6,854,078,181
Cost of Sales	6	(7,666,057,947)	(6,383,502,298)
Gross Profit		1,058,091,730	470,575,883
Other Income	7	83,428,555	78,390,115
Administration Expenses		(948,966,363)	(917,306,336)
Selling and Distribution Expenses		(1,992,527)	(14,959,827)
Results from Operating Activities		190,561,395	(383,300,165)
Finance Income		481,291,273	701,358,095
Finance Cost		(7,761,126)	(15,359,708)
Net Finance Income	8	473,530,147	685,998,387
Profit Before Income Tax		664,091,542	302,698,222
Tax Expense	9	(138,969,741)	(118,430,333)
Profit/(Loss) for the Year		525,121,801	184,267,889
Other Comprehensive Income			
Actuarial Gain/(Loss) on Defined Benefit Plans	18.(d)	(5,486,275)	(14,828,504)
Net Exchange Differences on Translation of Foreign Operation		1,205,016	
Other comprehensive income for the year		(4,281,259)	(14,828,504)
Total comprehensive income for the year		520,840,542	169,439,385

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on Pages 41 to 76 form an intergral part of these Financial Statements.

Statement of Financial Position

As at 31st December

		CESL	
	Note	2024 Rs.	2023 Rs.
Assets			
Non-Current Assets			
Property, Plant and Equipment	10	353,803,883	386,496,709
Right-of-Use Assets	11	12,605,050	13,119,226
Work In Progress - Capital Assets	12	84,024,722	64,711,225
Biological Assets	10A	27,867,390	20,283,662
Long Term Investments	13	151,594,466	145,322,938
Differed Tax	20	11,784,967	-
Total Non-Current Assets		641,680,479	629,933,759
Current Assets			
Inventories	14	865,601,139	808,100,936
Working Progress	15	133,953,904	116,073,806
Biological Assets	16	147,298	833,858
Trade and Other Receivables	17	7,311,271,330	6,456,082,879
Short Term Investments	13	4,730,176,347	3,963,681,274
Cash and Cash Equivalents	18	1,398,242,931	2,239,127,962
Total Current Assets		14,439,392,949	13,583,900,715
Total Assets		15,081,073,428	14,213,834,474
Equity and Liabilities			
Contributed Capital		10,000,020	10,000,020
Revaluation Reserve		150,270,564	150,270,564
Retained Earnings		1,728,303,458	1,207,462,916
		1,888,574,042	1,367,733,500
Non Current Liabilities			
Retirement Benefit Obligation	19	53,775,759	41,891,785
Differed Tax	20	-	32,616,677
Amounts Due to Related Companies		1,569,400,941	1,545,964,909
Total Non Current Liabilities		1,623,176,700	1,620,473,371
Current Liabilities			
Trade and Other Payables	21	11,431,380,039	11,180,365,043
Income Tax Payables	22	137,942,647	45,262,559
Inter Base current accounts		-	-
Bank Overdraft	18	-	-
Total Current Liabilities		11,569,322,686	11,225,627,603
Total Equity and Liabilities		15,081,073,428	14,213,834,474

Figures in brackets indicates deductions.

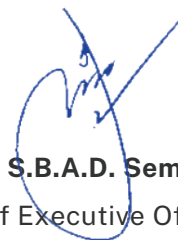
The Notes to the Financial Statements set out on Pages 41 to 76 form an intergral part of these Financial Statements.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Mr. H.M.I.U. Herath

A/Chief Financial Officer



Eng. S.B.A.D. Semasinghe

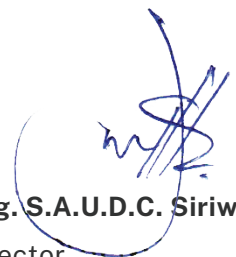
Chief Executive Officer

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



Eng. A.P. Jayatissa

Chairman



Eng. S.A.U.D.C. Siriwardhana

Director

27th February 2025

Statement of Changes Equity

	CESL			
	Contributed Capital Rs.	Capital Reserve Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.
Balance as at 01 st January 2023	10,000,020	-	194,550,564	1,021,645,174
Prior Year Adjustments				(27,901,643)
Prior Year Adjustments		-	(44,280,000)	44,280,000
Profit For the Year	-	-		184,267,889
Other Comprehensive Income	-	-		(14,828,504)
Balance as at 31 st December 2023	10,000,020	-	150,270,564	1,207,462,916
Balance as at 01 st January 2024	10,000,020		150,270,564	1,207,462,916
Profit For the Year	-	-		525,121,801
Other Comprehensive Income	-	-	-	(5,486,275)
Net Exchange Differences on Translation of Foreign Operation.			-	1,205,016
Balance as at 31 st December 2024	10,000,020	-	150,270,564	1,728,303,458

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on Pages 41 to 76 form an integral part of these Financial Statements.

Cash Flow Statement

For the year Ended 31st December

Cash Flows from Operating Activities

Profit Before Tax

Adjustments for:

Depreciation on Property, Plant and Equipments

Provision for Bad and Doubtful Debts

Depreciation on Biological Assets

Assets Written Off

Provision for Gratuity

Bad Debt Provision

Profit on disposal of Property, Plant and Equipments

Amortization of land lease

Exchange Gain/(Loss) on Abu Dabhi Operations

Net Finance Income

Operating Profit before Working Capital Changes

(Increase)/Decrease in Inventories

(Increase)/Decrease in Trade and Other Receivables

(Increase)/Decrease in Biological Assets

Increase/(Decrease) in Trade and Other Payables

Increase/(Decrease) in Amounts Due to Related Companies

(Increase)/Decrease in Working In Process

Increase in General Suspense Account Credit Balance

Cash Generated from Operating Activities

Interest paid

Tax paid

Gratuity paid

Net Cash Flows from Operating Activities

Cash Flows from Investing Activities

Acquisition of Property, Plant and Equipment

Acquisition of Leasehold property

Investment in Capital Work in Progress

Proceeds from sale of Property, Plant and Equipment

Acquisition of Subsidiary

Investment in Short Term Deposit

Investment Long Term Investment

Dividend Income

Interest Income

Net Cash Flows from Investing Activities

Cash Flows from Financing Activities

Proceed from Issue of Shares

Dividends paid

Repayment of Loan

Payment of Finance Lease Liabilities

Net Cash from Financing Activities

Net Increase/(Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalent at the beginning

Cash and Cash Equivalent at the end

CESL	
2024 Rs.	2023 Rs.
664,091,542	302,698,222
121,883,656	140,868,800
-	-
10,294,296	-
-	-
13,058,967	8,916,036
-	-
(2,744,518)	33,895,979
514,175	514,176
1,205,016	-
(473,530,147)	(685,998,387)
334,772,987	(199,105,174)
(57,500,203)	173,462,592
(855,188,451)	2,082,027,241
686,560	(833,858)
251,014,996	429,421,419
23,436,032	7,898,231
(17,880,098)	(51,398,284)
-	-
(320,658,177)	2,441,472,168
(7,761,126)	(15,359,708)
(90,691,297)	(106,230,296)
(6,661,268)	(9,989,238)
(425,771,869)	2,309,892,927
(69,890,977)	(48,059,483)
(17,878,023)	-
(38,364,777)	(20,456,854)
2,495,947	6,006,693
-	-
(766,495,073)	(1,217,496,509)
(6,271,528)	(145,322,938)
-	-
481,291,273	701,358,095
(415,113,157)	(723,970,995)
-	-
-	-
-	-
-	-
(840,885,026)	1,585,921,932
2,239,127,956	653,206,026
1,398,242,931	2,239,127,962

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on Pages 41 to 76 form an integral part of these Financial Statements.

Notes to the Financial Statements

For the year Ended 31st December 2024

1. CORPORATE INFORMATION

1.1. General Information

Central Engineering Services (Pvt) Ltd ('Company'), is a private limited liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company is situated at No. 415, Bauddhaloka Mawatha, Colombo 7, Sri Lanka.

Central Engineering Services (Pvt) Ltd., was incorporated on 16th December, 2003 under the Companies Act, No. 17 of 1982 and has been re-registered on 6th November, 2009 under the Companies Act, No. 07 of 2007. However, the Company has commenced its operations only in the year 2011 and had no operations before that year.

1.2. Principal Activities and Nature of Operations

The Company is engaged in the business of undertaking, carrying out, executing and performing construction projects connected with any type of engineering or any engineering related activity.

1.3. Principal Office

No. 415, Bauddhaloka Mawatha,
Colombo 07.

1.4. Company Secretary

Miss J.A.I.C.Jayasinghe
No. 415, Bauddhaloka Mawatha, Colombo 07.

1.5. List of Banks

Bank of Ceylon
People's Bank

1.6. Significant Shareholdings

The sole shareholder of the Company at the end of the year was as follows:

Shareholders	No. of Shares	Value per Share (Rs.)	Total Value (Rs.)	Percentage of Holding
Central Engineering Consultancy Bureau	100,000	100	10,000,000	100%
	2	10	20	

Notes to the Financial Statements

For the year Ended 31st December 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

2.1.1 Statement of Compliance

The Financial Statements of the Company comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with the Accounting Policies and Notes (the Financial Statements) have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs / LKASs) laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and with the requirement of the Companies Act No. 07 of 2007.

2.1.2 Components of the Financial Statements

Financial Statements include the following components:

- a) The Statement of Comprehensive Income: Providing information on the financial performance of the Company for the year.
- b) The Statement of Financial Position: providing information on the financial position of the Group and the Company as at the year-end.
- c) The Statement of Changes in Equity: Providing information on the movements of stated capital and reserves of the Group and the Company during the year under review.
- d) The Statement of Cash Flows: Providing information on the generating of cash and cash equivalents and utilization of the same.
- e) Notes to the Financial Statements: Comprising accounting policies and other explanatory notes.

The Financial Statements for the year ended 31st December 2024, were authorized for issue by the Board of Directors on 28th February 2025.

2.1.3 Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company as per provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards (SLFRSs / LKASs).

2.1.4 Financial Period

The financial period of the Company represents a twelve months period from 1st January 2024 to 31st December 2024.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.1.5 Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The Company Financial Statements are presented in Sri Lankan Rupees (Rs.), which is the Company's functional currency.

2.1.6 Basis of Measurement

These Financial Statements have been prepared on the historical cost basis except for the following material items in the Statement of Financial Position:

- a) Financial assets and financial liabilities that have been measured at fair value- SLFRS 09
- b) Employee benefit liability recognized based on actuarial valuation – LKAS 19
- c) Inventories are carried at their present value – LKAS 2

2.1.7 Comparative information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. The presentation and classification of the Financial Statement of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.1.8 Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee (Rs.), except when otherwise indicated.

2.1.9 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

2.1.10 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately, unless they are immaterial.

2.1.11 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.1.11 Significant Accounting Judgments, Estimates and Assumptions (Cont.)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual Notes of the related financial statement line items below.

The Company based its assumptions and estimates on parameters available when the Company financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Management considered the following items, where significant judgments, estimates and assumptions have been used in preparing these financial statements:

Going Concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties related to the event of conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

Information about judgments, assumptions and estimation uncertainties that have an effect on the amount recognized and significant risk of resulting in a material adjustment to the Company Financial Statements is included in the following Notes:

- a) Measurement of defined benefit obligation: key actuarial assumptions
- b) Fair value measurement of financial instruments
- c) Impairment of financial assets: key assumption underlying recoverable amount
- d) Income Tax (current tax and deferred tax)
- e) Recognition and measurement of provisions and contingencies: key assumption about the likelihood and magnitude of an outflow of resources
- f) Estimating the useful lives of Property, Plant and Equipment (PPE)
- g) Fair value of biological assets

2.1.12 Current versus Non-current Classification

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification.

An asset is classified as current, when it is:

- a) Expected to be realized or intended to sold or consumed in the normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realized within twelve months after the Reporting Period; Or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the Reporting Period.

The Company classifies all other assets as non-current.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.1.12 Current versus Non-current Classification (Cont.)

A liability is classified as current, when it is:

- a) It is expected to be settled in the normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the Reporting Period; Or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the Reporting Period.

The Company classifies all other liabilities as non-current. Deferred tax liabilities are classified as non-current liabilities.

2.1.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur using the EIR method.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.1.14 Statement of Cash Flows

The Statement Cash Flows has been prepared using the 'indirect method' in accordance with Sri Lanka Accounting Standard – LKAS - 7 on 'Statement of Cash Flows'. Cash and cash equivalent comprise cash in hand, cash at bank and Short Term investments that are readily convertible to known amount of cash and subject to an insignificant risk of change in value.

Interest received and dividends received are classified as investing cash flows, while dividend paid is classified as financing cash flow and interest paid is classified under the operating cash flows for the purpose of presentation of Statement of Cash Flows.

Bank overdrafts and Short Term borrowings that are re-payable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of the Statement of Cash Flows.

2.2. Foreign Currency Translation

Transactions and Balances

All foreign exchange transactions are converted to functional currency. The Company determines the functional currency and items included in the Financial Statements of Company are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.2. Foreign Currency Translation (Cont.)

Transactions and Balances (Cont.)

Monetary assets and liabilities denominated in foreign currency are retranslated to functional currencies equivalents at the spot rate of exchange at the Reporting Date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined.

Foreign currency differences are generally recognized in Statement of Other Comprehensive Income.

2.2.1 Foreign Operation

The assets and liabilities of foreign operations are translated into Sri Lanka Rupees at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rate prevailing at the dates of the transactions. The Exchange differences arising on transaction for consolidation are recognized in other Comprehensive Income.

2.3. Property, Plant and Equipment

The Company applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

2.3.1 Recognition and Measurement

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured.

All items of property, plant and equipment are initially recorded at cost. The Company applies cost model to property, plant and equipment and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses. The carrying values of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

When an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.3.1 Recognition and Measurement (Cont.)

When an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is de-recognized.

2.3.2 Freehold Assets

The cost of an item of property, plant and equipment comprise of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of Self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use.

This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted as separate items (major component) of property, plant and equipment.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained. Purchased software that is integrated to the functionality of the related equipment is capitalized as part of equipment.

2.3.3 Leasehold Assets

Leases in terms of which the Company assumes substantially all the risk and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured and capitalized at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Prepaid lease rentals paid to acquire land use rights are amortized over the lease term in accordance with the pattern of benefits provided. The impairment loss if any is recognized in the Statement of Profit or Loss.

2.3.4 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied. Within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.3.5 De-recognition

Property, plant and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of comprehensive income in the year the asset is derecognized.

2.3.6 Depreciation

Depreciation is recognized in profit or loss on the straight-line basis over the estimated useful lives of each part of item of Property, Plant and Equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal Company that is classified as held for sale) and the date that the asset is de-recognized.

Depreciation is not charged on Freehold Land and Capital Work in Progress. The estimated useful lives are as follows:

Asset Category	Useful Lives (years)
Building	13 1/3 years
Motor Vehicle	10 years
Plant and Machinery	5 years
Computer, Welfare and Communication Equipment	5 years
Office Equipment and Furniture and Fittings	8 years
Tools and Implements	5 years
Container	5 years
Library Books	8 years

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.

The depreciation method and residual values of assets are reviewed when indications are present that the residual value or useful life of an asset has changed. If there has been a significant change in the current expectations, residual value, depreciation method or useful life is amended to reflect such changes.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.3.7 Capital Work in Progress - PPE

Capital expenses incurred during the year which are not completed as at the Reporting Date are shown as capital work in progress, whilst the capital assets which have been completed during the year and available to use have been transferred to Property, Plant and Equipment.

2.3.8 Work in Progress - Computer software (Intangible asset)

An Intangible asset is recognized if it is probable that future economic benefit associated with the assets will flow to the Company and cost of the asset can be reliably measured. The ERP software is being developed. The development cost of ERP system can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets work-in-progress and carried at cost.

2.3.9 Motor vehicles

Motor vehicles to be depreciated on a straight line method on revalued /written down amounts appearing in the accounts after leaving out 20% residual value on all classes of motor vehicles. Estimated useful life of all the motor vehicles should be considered as 10 years since 01.01.2021.

2.4 Biological assets & agricultural produce

2.4.1 Bearer Biological Plant

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter-planting and fertilizing etc, incurred between the time of planting and harvesting (When the planted area attains maturity) are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest (borrowing cost) attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (Sugar cane roots, Passion fruit tree, Papaya tree, Mango tree, Sandriana tree & Coconut fields), which come into bearing during the year, has been transferred to mature bearer biological assets and depreciated over their useful life in accordance with the LKAS 16 – Property, Plant and Equipment.

Notes to the Financial Statements

For the year Ended 31st December 2024

1.1 Immature and Mature Plantations

The cost of replanting and new planting are classified as immature plantations up to the time of harvesting the crop. Further, the general charges incurred on the plantation can be apportioned based on the labour days spent on respective replanting and new planting and capitalized on the immature areas. The remaining portion of the general charges is expensed in the accounting period in which it is incurred. The cost of areas coming into bearing is transferred to mature plantations at end of the financial year.

1.2 Infilling Costs

The land development costs incurred in the form of infilling have been capitalized to the relevant mature field, only if it increases the expected future benefits from that field, beyond its pre-infilling standard of performance assessment. Infilling costs so capitalized are depreciated over the newly assessed remaining useful life of the relevant mature plantation or the unexpired lease period, whichever is lower.

Infilling cost that are not capitalized have been charged to the statement of Profit or loss for the year in which they are incurred.

Growing Crop Nurseries

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

Depreciation

Depreciation commences when the bearer biological plants are considered mature, which is when they produce their first commercially viable crop. Depreciation is as follows;

Description	Useful Lifetime
Sugar cane roots	05 years
Passion fruit	05 years
Coconut	20 year
Mango	20 year
Sandriana	05 year

Notes to the Financial Statements

For the year Ended 31st December 2024

2.4.2 Non-harvested Produce crop on Bearer Biological Plant

The Company recognizes its agricultural produce prior to harvest separately from its bearer plant. It is measured at fair value less costs to sell. Changes in the fair value of such agricultural produce are recognized in profit or loss at the end of each reporting period.

2.4.3 Bearer Animal

Bearer animals are those other than consumable animals. Bearer animals are not agricultural produce but, rather, are self-regenerating. The Company has identified Parent birds as bearer biological animals.

Bearer animals are measured at fair value less costs to sell. The fair value of parent birds is determined using discounted cash flows model (specify any other method used) based on the internal rate of return, mortality rates of the parent birds, egg production rates, hatchability rates of eggs, estimated market selling price of day-old-chick and other estimated farming cost that will be incurred throughout the remaining life of the parent birds.

2.4.4 Consumable biological assets

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Vegetable plants, Broiler birds and hatching eggs have been identified as consumable biological assets.

Consumable biological assets are measured at fair value less costs to sell. In management's opinion, cost is approximated as fair value of the broiler birds and hatching eggs mainly due to the associated short life cycle of those assets and the fact that a significant value addition on broiler birds arises from the manufacturing process and no or only little biological change was observed for hatching eggs as at the year end. Accordingly, the cost of consumable biological assets approximates its fair value.

2.4 Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognized its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

2.5 Financial Instruments

2.5.1 Financial Assets & Financial Liabilities

The Company classifies its financial assets in the following categories; at fair value through profit or loss, loans and other receivables, available for sale and held to maturity investments. The Company classifies its financial liabilities in the following categories; financial liabilities at fair value through profit or loss and loans and borrowings.

The classification depends on the purpose for which the financial assets/liabilities were acquired. Management determines the classification of its financial assets/liabilities at initial recognition and re-evaluates this designation at every reporting date.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.5.2 Initial Recognition and Measurement

The Company recognizes a financial asset or a financial liability in its statement of financial position when the entity becomes party to the contractual provisions of the instrument.

Company initially measures its financial assets at fair value. In case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, are added to the cost of financial asset.

Company initially measures its financial liabilities at fair value. In case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liabilities, are deducted from carrying value. Trade receivables are initially measured at transaction price as stated in SLFRS 15.

2.5.3 Classification of Financial Assets

(i) Financial assets are classified as subsequently measured at amortized cost, Fair Value through other comprehensive income or fair value through profit or loss based on

- a) The company's business model for managing the financial assets and;
- b) The contractual cash flow characteristics of the financial assets

(ii) Financial Assets Measured at Amortized Cost

A Financial asset is measured at amortized cost if both the following conditions are met:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and,
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial Assets Measured at Fair Value through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income, if both of following conditions are met.

- a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and,
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial Assets Measured at Fair Value through Profit or Loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income in accordance with paragraph (ii) and (iii) above.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.5.4 Classification of Financial liabilities

Financial liabilities are subsequently measured at amortized cost, except for,

- a) Financial liabilities at fair value through profit or loss.
- b) Commitments to provide a loan at a below-market interest rate.

2.5.5 Reclassification

(i) Financial assets are reclassified when and only when the company changes its business model for managing financial assets.

If the company reclassifies financial assets, such reclassification is applied prospectively from the reclassification date and previously recognized gains, losses (including impairment gains or losses) are not restated.

(ii) Financial liabilities are not reclassified

2.5.6 Amortized cost Measurement

Interest revenue is calculated by using the effective interest method by applying effective interest rate to the gross carrying value of financial assets.

2.5.7 Impairment

The company recognizes a loss allowances for expected credit losses on a financial asset. Where on the reporting date the credit risk on the financial instrument has increased significantly since initial recognitions, loss allowances at an amount equal to the lifetime expected credit losses is made.

Where on the reporting date the credit risk on the financial instrument has not increased significantly since initial recognitions, loss allowances is measured for that financial instrument at an amount equivalent to 12 month expected credit losses.

2.5.8 De-recognition of Financial Assets

The company de-recognizes financial assets when:

- a) The contractual rights to the cash flows from the financial asset expire, or
- b) It transfers the financial asset and the transfer qualifies for De-recognition.

2.5.9 De-recognition of Financial Liabilities

A financial liability is removed (or a part of a financial liability) from its statement the financial position when, and only when, it is extinguished — ie when the obligation specified in the contract is discharged or cancelled or expires.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.6 SLFRS 16 - Right of use assets

The Company is recognized right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

2.6.1 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the Carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2.7 Trade receivables

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. Most sales are made on the basis of normal credit terms, and the trade receivables do not bear interest. Where credit is extended beyond normal credit terms, trade receivables are measured at amortized cost using the effective interest rate method. Other receivables that are not financial assets measured at the cost.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, impairment loss is recognized immediately in the statement of comprehensive income.

The Company assesses at the reporting date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

The Company assesses at the reporting date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.8 Inventories

Inventories are measured at the lower of cost and net realizable value. The Cost of inventories include costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the normal course of business less estimated cost of realization and/or cost of conversion from their existing state to saleable condition. The Company follows the first in first out (FIFO) cost formula to issue and measure the inventories other than agricultural produce.

Inventory movement is reviewed at the end of the Reporting Period by an expert to assess the recoverability of inventory and the items that are identified as irrecoverable are written off during the year.

The cost incurred in bringing agricultural produce to its present location and condition is accounted as follows:

2.8.1 Broiler meat

Broiler meat is valued at prime cost together with an appropriate proportion of overheads on weighted average basis, after making due allowance for weight losses

2.8.2 Poultry feed, drugs and sundry inventories

Poultry feed, drugs and sundry inventories are valued at actual cost on weighted average basis after making due allowance for obsolete and slow-moving items.

2.8.3 Trading inventories

Trading Inventories which include retail items for sale are valued at actual cost on weighted average basis.

2.8.4 Sundry stocks

Sundry stocks consist with packing materials and ingredients which are used for the production process. Stocks are valued at actual cost on weighted average basis after making due allowance for obsolete and slow-moving items.

Work in Progress

Work in Progress represents the cost incurred in respect of unbilled work done as at the end of the year. It is measured at the amount of expenditure incurred from the last date of billing (or Valuation) up to the end of the financial year. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.9 Impairment of Assets

If there is an indication of possible impairment, the recoverable amount of any affected asset or group of related assets is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset or group of related assets in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

2.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

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

2.11 Stated Capital

Ordinary shares are classified under equity.

2.12 Liabilities, Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Other liabilities are recorded at the cash value to be realized when settled. Provisions are calculated based on the historical experience and the specific terms in the individual cases. The Company arrives at an estimate on the basis of an evaluation of the most likely outcome. All known provisions have been accounted for in preparing the Financial Statements.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured. Further, contingent liabilities are not recognized in Statement of Financial Position but are disclosed unless its occurrence is remote.

Currently, the Company does not have pending litigations and claims arising out of the normal conduct of the business. The Company does not expect the pending litigations and Claims, individually and in aggregate, to have a material impact on Company's financial position, operating profit or cash flows.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.12.1 Legal Cases Filed Against the Company

At labor Tribunal

No	Case No	Parties	Status
01.	Anuradhapura Labour Tribunal Case No. 27/Anu /2584/2020	A.A.C.S.Wijewardana Vs. Central Engineering Services (Pvt) Ltd	Mr. A.A.C.S. Wijewardana has filed the case against CESL claiming reinstatement with salary arrears and compensation. Legal proceeding is going on. Evidence leading (Respondent's case)
02.	Kurunegala Labour Tribunal Case No. 23/Ku/26/2020	K.M.C.P. Karunaratne Vs. Central Engineering Services (Pvt) Ltd	Ms. K.M.C.P. Karunaratne has filed the case against CESL to declare as permanent employee, claiming reinstatement and salary arrears. Legal matter is in the final stage and matter is fixed for order.
03.	Matra Labour Tribunal Case No. LT/M/26/32/2023	R.L.P. Kumarasiri Vs. Central Engineering Services (Pvt) Ltd	Mr. R.L.P. Kumarasiri has filed the case against CESL claiming reinstatement with salary arrears, compensation and Gratuity. Matter is fixed for order.
04.	Matra Labour Tribunal Case No. LT/M/26/33/2024	B.A.C. Krishantha Vs. Central Engineering Services (Pvt) Ltd	Mr. B.A.C. Krishantha has filed the case against CESL claiming reinstatement with salary arrears, compensation, and Gratuity. Matter is fixed for order.
05.	Kandy Labor Tribunal Case No. LT/03/85/2023	Mr.W.J.P.A.Jayawardhana Vs. Central Engineering Services (pvt) LTD	Mr W.G.P.A.Jayawardhana has filled the case against CESL claiming reinstatement with salary arrears, compensation, Gratuity, service certificate applicant's case closed and Respondents case started evidence leading.

At District Court

No	Case No	Parties	Amount	Status
01.	DTS258/23	L.S.Jasintha Fernando Vs. Central Engineering Services (pvt) Ltd	Rs. 45,892,637.00	Legal matter is in the final stage. Settlement terms entered.
02	132/M/2024	Edward & Christies (pvt) Ltd Vs. Central Engineering Services (pvt) Limited	Rs. 8,566,428.12	Answer should be file.

Notes to the Financial Statements

For the year Ended 31st December 2024

At Magistrate Court

No	Case No.	Parties	Status
01.	Mahiyanganaya Magistrate Court Case No. B/31183	Range Forest Office, Mahiyanganya Vs J.A. Premarthne, D.P.R. Thilakarathne	Legal procedure is going on. Aleady filed our written submission to release the excavator.
02.	Anuradhapura Magistrate court 86596/Labour	Drivers case-Res. Central Engineering Services (pvt) Ltd	Legal procedure is going on. Matter is fixed for support.

At High Court

No	Case No	Parties	Status
01.	HCL 04/2024	Central Engineering Services (pvt) Ltd Vs R.M.R.Sadamali Kumari	Legal Procedure started. Written submission should be filled.

2.13 Employee Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which contributions are made into a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined Contribution Plans - Employees Provident Fund and Employees Trust Fund

All employees who are eligible for Employees Provident Fund contribution and Employees Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations. The Company contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

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 liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by Independent Actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – 'Employee Benefits'.

Notes to the Financial Statements

For the year Ended 31st December 2024

Defined Benefit Obligation (Cont.)

Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in Other Comprehensive Income. The liability is not externally funded.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of five years of continued service.

Abu Dabhi Provision-End of service benefit for the full time workers

As per the Federal Decree-Law No (33) of 2021. The national worker shall be entitled to end of service benefits at the end of his service, in accordance with the legislation regulating the pensions and social securities in the State.

The full-time foreign worker, who completed a year or more in continuous service, shall be entitled to end of service benefits at the end of his service, calculated according to the basic wage as per the following:

- a. A wage of (21) twenty one days for each year of the first five years of service;
- b. A wage of (30) thirty days for each year exceeding such period.

The foreign worker shall be entitled to a benefit for parts of the year in proportion to the period spent at work, provided that he completed one year of continuous service. The unpaid days of absence from work shall not be included in the calculation of the service term.

2.14 Current and Deferred Tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss account.

2.15.1 Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the Reporting Date. Current tax also includes any tax arising from dividends.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the new Inland Revenue Act No. 24 of 2017 and any amendments thereto. Applicable income tax rate is 30% for the period of 1st January 2024 to 31st December 2024. Current tax assets and liabilities are offset only if certain criteria are met.

Current tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.15.2 Deferred Taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each Reporting Date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each Reporting Date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the Reporting Date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the Reporting Date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Significant Judgments Relating to Deferred Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

2.16 Leases

Finance Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.16 Leases (Cont.)

Initial Recognition and Subsequent Measurement

Initially, assets held under financial lease and financial lease liabilities are recognized as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset and present value of the minimum lease payments, determined at the inception of the lease.

Subsequent lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Operating leases

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

2.17 SLFRS 15 - Revenue from contracts with customers

Revenue is the income arising in the course of an entity's ordinary activities. According to SLFRS 15, revenue is recognized when a customer obtains control of the goods or services and at the amount of consideration to which the company expects to be entitled (when the Company satisfies a performance obligation). The goods or a service is transferred when the customer obtains control of that asset at a point in time or over time which requires judgments. SLFRS 15 introduces a five-step model for recognizing revenue from contracts with customers.

The Company account for a contract with a customer only when all of the following criteria are met:

- a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- b) The Company can identify each party's rights regarding the goods or services to be transferred;
- c) The Company can identify the payment terms for the goods or services to be transferred;
- d) The contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and
- e) It is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. (a)

a) Construction Contracts

Construction Revenue

Construction revenue is recognized in the statement of profit or loss in proportion to the stage of completion of the contract (based on input method) in accordance with SLFRS 15-Revenue from contracts with customers.

Under input method, revenue is recognized on the basis of the Company's input to the satisfaction of performance obligation relative to the total expected inputs (Estimated Cost) to the satisfaction of that performance obligation.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.17 SLFRS 15 - Revenue from contracts with customers (Cont.)

For projects pending STC approval, the contract revenue is recognized only to the extent of 90% of initial amount of revenue agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that the company expects to be entitled.

Contract revenue is revised to the STC approved contract revenue approval, once is received from STC (actual entitled amount). For other contracts the contract price includes initial amount agreed in the contract plus any variations in the contract work.

(b) Sale of goods

Revenue from the sale of goods recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer with the Company retaining neither a continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

(c) Gain arising from changes in fair value of biological assets

Gain or losses arising on initial recognition of biological assets and agricultural produce at fair value less the estimated sale costs are recognized in the profit and loss. Gains or losses arising from changes in fair value due to subsequent measurement are recognized in the profit and loss in the period in which they arise.

2.18 Net Finance Income/ (Cost)

2.18.1 Finance Income

Finance income comprises interest income on fund invested. Interest income is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in net finance income in the Statement of Profit or Loss.

2.18.2 Finance Cost

Finance cost comprises interest expenses on borrowings. Interest expense is recorded as it accrues using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

Borrowing costs are recognized as an expense in the period in which they are incurred except those that are directly attributable to the construction or development of Property, Plant and Equipment which are capitalized as part of the cost of those assets during the period of construction or development.

Notes to the Financial Statements

For the year Ended 31st December 2024

2.19 Expenditure Recognition

Expenses are recognized in the profit or loss on the basis of a direct association between the costs.

Incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit or loss in the year in which the expenditure is incurred. Expenditure is recognized on accrual basis.

Construction Contracts

Total cost incurred in respect of each contract during the year, which can be attributed has been included in construction costs.

Other Expenses

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income.

Dividend Distribution

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

2.20 Events after the Reporting Date

Events after the reporting period are those events favorable and unfavorable that occurs between the end of the reporting period and the date when the Financial Statements are authorized for issue.

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

2.21 Earnings per Share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3. Related Party Disclosure

3.1 Terms and Conditions of Transactions with Related Parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Notes to the Financial Statements

For the year Ended 31st December 2024

3.2 Transactions, Arrangements and Agreements Involving Key Management Personal (KMP) and Their Close Family Members (CFM)

According to LKAS 24 – ‘Related Party Disclosures’, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, Board of Directors (including Executive and Non-Executive Directors) has been classified as Key Management Personnel of the Company.

Close Family Members (CFM) of the KMP are those family members who may be expected to influence or be influenced, by that KMPs in their dealing with the entity. They may include:

- (a) The individual’s domestic partner and children;
- (b) Children of the individual’s domestic partner; and
- (c) Dependents of the individual or the individual’s domestic partner.

CFM is related parties to the entity. There were no transactions with CFM during the year.

3.3 Directors’ Loan

No loans have been given to the Directors of the Company.

4 Financial Risk Management Objectives and Policies

Financial Risk Management is the practice of economic value in a firm by using financial instrument, manage exposure to risk face by the Company. The Company’s principal financial assets include trade and other receivables and cash and short term deposits that derive directly from its operations.

The major financial liabilities used by the Company are trade and other payables. The main purpose of these financial investments is to finance the Company’s operations and to provide guarantees to support its operations.

The Board of Directors has established Company’s risk management policies to identify analyze the risk face by the Company and set appropriate risk limits and controls. Risk management policies and systems are reviewed regularly and aim to develop a disciplinary constructive control environment, in which all employees understand their roles and obligations through training, management standards and procedures.

The Company Audit Committee oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the risk management framework in relation to the risk face by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee. The Committee reports regularly to the Board of Directors on its activities.

The Company is exposed to key financial risks include Market Risk, Credit Risk, Liquidity Risk. The Board of Directors revives, verifies, agree the policies for managing each type of risk which are summarized below;

Notes to the Financial Statements

For the year Ended 31st December 2024

4.1 Market Risk

Market risk is the risk that fair value of future cash flows of financial instruments will fluctuate because of changes in market price. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Market risk comprises of the following types of risk:

- a) Interest rate risk
- b) Currency risk
- c) Commodity price risk
- d) Equity price risk

Financial instruments affected by market risk mainly include deposits.

Market Risk faced by the Company includes currency risk, interest rate risk and other price risks.

4.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The exposure to the risk of changes market interest rate relates primarily to the Company's deposits with floating rate. The Company has interest earning bank deposits which may cause risks to it as a result of the adverse movements in interest rates.

4.2 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Trade Receivables

Customer credit risk is managed by each base office subject to Company's established policies procedures and controls relating to customer credit risk management.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Each Base Office monitors the customers' financial standing. An impairment analysis is performed at each Reporting Date on an individual basis for major clients. The calculation is based on actual incurred historical data.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its most of customers are represent government departments and material payments being backed by guarantees and enters contractual agreements with clients before starting the operations (Constructions).

Notes to the Financial Statements

For the year Ended 31st December 2024

4.2 Credit Risk (Cont.)

The maximum exposure to credit risk at the reporting date was;

As at	Trade Debtors Rs.
at 31 st December, 2023	2,397,002,063
at 31 st December, 2024	3,049,955,954

4.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds using a liquidity planning tools.

The Company's approach to managing liquidity risk is to ensure as far as possible that it will always have sufficient liquidity meets its liability when due and maintaining the balance between financial assets and liabilities and forecasting cash flows from operating activities, without incurring unacceptable losses or risking damages to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt instruments at an amount in excess of expected cash flows on financial liabilities. To measure and mitigate liquidity risk, the Company closely monitors its net operating cash flow, forecasting and maintaining a level of cash and cash equivalents and secured committed funding facilities from financial institutions. Further, the Company mitigates its liquidity risk through proper working capital management including cash management.

Notes to the Financial Statements

For the year Ended 31st December 2024

		CESL	
		2024 Rs.	2023 Rs.
5	Revenue		
	Construction Revenue	8,723,302,219	6,854,078,181
	Consultancy Revenue	847,458	
		8,724,149,677	6,854,078,181
6	Cost of sales		
	Materials	3,092,747,555	2,719,924,908
	Labour	3,164,230,303	2,604,309,414
	Transport Charges	236,778,270	229,750,633
	Tools	22,280,185	29,726,471
	Overhead & Miscellaneous Expenses	812,963,094	676,713,214
	Construction Services	337,058,541	123,077,658
		7,666,057,947	6,383,502,298
7	Other Income		
	Steel Item sale income	-	20,942,308
	Hiring Income	19,038,108	16,745,010
	ERP Revenue	787,717	-
	Machinery/ Asset Hiring	56,000	5,792,213
	Commission Income	-	204,400
	Fees Income	1,058,088	587,791
	Miscellaneous Revenue	31,663,072	86,225,556
	Tender Fees Income	3,819,737	748,717
	Asphalt Concreate, ABC & Rubbel Sales Income	-	(16,928,932)
	Bad Debt Provision Reversal	-	-
	Assets Disposal Profit / (Loss)	2,744,518	(33,895,979)
	Asphalt/Crusher Plant Gain/ (Loss)	(2,661,902)	(2,030,970)
	Landscaping Work	26,923,217	-
		83,428,555	78,390,114
	Operating Profit		
	The following items have been charged / (credited) in arriving at -		
	- the Operating Profit		
	Director's Emoluments	1,062,500	1,403,163
	Auditor's Remuneration	2,102,998	1,798,100
	Depreciation on Property, Plant & Equipment	121,883,656	140,868,800
	Charity and Donations	948,000	658,000
	Allowance for Bad and Doubtful Debts	-	14,345,077
	Employee Benefit Costs	419,927,373	309,608,177
	Employee Benefit Costs		
	Salaries & Wages	308,591,414	233,132,965
	Contribution to Defined Contribution Plans	23,969,398	21,549,200
	Over Time, Incentive and Other Allowances	87,366,561	54,926,013
8	Net Finance Income		
	Finance Income		
	Interest Income	481,291,273	701,358,095
		481,291,273	701,358,095
	Finance Cost		
	Interest Expenses	(7,761,126)	(15,359,708)
		(7,761,126)	(15,359,708)
	Net Finance Income	473,530,147	685,998,387
9	Tax Expenditures		
	Prior Year Income Tax Adjustment	(33,719,763)	(20,493,987)
	Deferred Tax for the Year	(44,401,644)	18,351,146
	Income Tax for the Year	217,091,148	120,573,174
		138,969,741	118,430,333



Notes to the Financial Statements

For the year Ended 31st December 2024

10 Property, Plant and Equipment 10.1 CESL

	Land Rs.	Buildings Rs.	Furniture & Fittings Rs.	Construction Instrument & Equipment Rs.	Office Equipment Rs.	Plant & Machinery Rs.	Containers Rs.	Computers Rs.	Motor Vehicles Rs.	Library Books Rs.	Total Rs.
Cost											
Balance as at 1st January 2024	8,415,147	98,200,295	40,982,374	644,050,718	60,365,143	393,657,123	54,962,877	87,144,595	149,313,167	678,994	1,537,770,433
Additions during the year	33,635,000		3,826,162	12,523,539	6,561,607	4,537,713	(0)	8,777,597	0	29,358	69,890,977
Disposals during the year			(1,112,205)	(9,128,523)	(2,503,451)	(4,538,369)		(4,350,205)			(21,632,754)
Transferred from WIP to PPE		19,051,280									19,051,280
Error Correction											-
Balance as at 31st December 2024	42,050,147	117,251,575	43,696,331	647,445,734	64,423,299	393,656,467	54,962,877	91,571,987	149,313,167	708,352	1,605,079,936
Accumulated Depreciation											
Balance as at 1st January 2014											
Error Correction		54,869,169	30,300,775	520,403,038	44,695,494	342,924,646	43,932,540	73,710,300	40,042,299	395,464	1,151,273,725
Additions during the year			(318,660)	(1,298,207)	(19,106)	(28,998)		(22,342)			
Disposals during the year		9,399,009	3,656,396	61,497,023	5,845,956	19,714,524	917,323	7,600,235	13,175,590	77,599	121,883,656
Disposals during the year			(951,606)	(8,130,751)	(2,339,875)	(4,443,197)		(4,328,583)			(20,194,012)
Error Correction			(318,660)	(1,298,207)	(19,106)	(28,998)		(22,342)			(1,687,313)
Balance as at 31st December 2014	-	64,268,177	32,686,894	572,471,116	48,182,468	358,641,784	44,375,050	76,959,611	53,217,889	473,063	1,251,276,052
Net Book Value											
Balance as at 31st December 2023	8,415,147	43,331,126	10,681,599	123,647,680	15,669,649	50,732,477	11,030,337	13,434,295	109,270,868	283,530	386,496,708
Balance as at 31st December 2024	42,050,147	117,251,575	43,696,331	647,445,734	64,423,299	393,656,467	54,962,877	91,571,987	149,313,167	708,352	353,803,883
Cost											
Balance as at 1st January 2023	8,415,147	86,951,785	39,688,872	670,031,302	58,932,833	392,673,868	54,984,877	85,487,082	193,593,167	672,144	1,591,431,077
Additions during the year		11,248,510	2,006,706	5,124,745	3,050,442	2,895,142	88,000	3,355,425		6,850	27,775,820
Disposals during the year			(713,204)	(5,357,413)	(1,618,132)	(1,911,887)	(110,000)	(1,697,912)	(44,280,000)		(55,688,548)
Error Correction				(25,747,916)							(25,747,916)
Revaluation Adjustment											-
Balance as at 31st December 2023	8,415,147	98,200,295	40,982,374	644,050,718	60,365,143	393,657,123	54,962,877	87,144,595	149,313,167	678,994	1,537,770,433
Balance as at 1st January 2023	-	47,029,985	26,834,245	448,016,200	39,860,497	320,482,160	40,620,376	66,597,004	34,289,009	307,591	1,024,037,067
Additions during the year		7,839,184	3,921,144	74,330,888	4,834,997	22,442,486	3,334,164	8,730,774	15,347,290	87,873	140,868,800
Disposals during the year	-		(454,614)	(4,097,784)			(22,000)	(1,617,478)	(9,594,000)		(15,785,876)
Error Correction				2,153,735							2,153,735
Balance as at 31st December 2023	-	54,869,169	30,300,775	520,403,038	44,695,494	342,924,646	43,932,540	73,710,300	40,042,299	395,464	1,151,273,725

Notes to the Financial Statements

As At 31st December

CESL	
2024	2023
Rs.	Rs.

10.2 Fully Depreciated Property Plant & Equipments

The cost of fully depreciated Property, Plant & Equipment of the company which are still in use as at the date of Statement of Financial Position as follows.

Free Hold PPE	Fully Depreciated	Depreciating	Total
Buildings		117,251,575	117,251,575
Motor Vehicles	334,767	148,978,400	149,313,167
Office Equipment	28,195,166	36,228,132	64,423,299
Furniture & Fittings	17,658,048	26,038,283	43,696,331
Construction Instrument	418,514,861	228,930,872	647,445,734
Library Books	94,009	614,344	708,352
Plant & Machinery	316,062,500	77,593,968	393,656,467
Computer	62,922,678	28,649,309	91,571,987
Containers	40,098,508	14,864,369	54,962,877
	883,880,537	679,149,251	1,969,810,160

11 Right-of-use Assets

Prepaid Lease rental paid to acquire land use right are ammortised over the lease term in accordance with pattern benefits provided. Lease Hold Property Comprising of land use rights and stated at valuation are ammortised on a Straight line basis over the remaining lease term. The impairment losse if any is recognised in the statement of Profit or Loss.

At beginning of the year	13,119,225	13,633,401
Acquisition of during the year	-	-
Amortisation	(514,175)	(514,176)
At end of the year	12,605,050	13,119,225

11.1 Details of Leasehold Property

Lease hold property is the land which use to construct Sabaragamuwa base office. The Lease hold land on a 30 years long term lease agreement entered with the Urban Development Authority (UDA) Sri Lanka. Which Commenced from 08th July 2019 and is being amortised on a straight line basis over a period of 30 year which commense from 08th July 2019.

Property	Land Extent (in areas)	Lease Period
Plan No 582 (Lot nos 7,8 & 9)		
New Town	Plan. 582 60P	30Years From
Rathnapura		08.07.2019.

12 Capital Work In Progress

Internal Develop Software

Balance B/F -	10,110,000	10,110,000
Cost Incurred During the Year		

	10,110,000	10,110,000
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Building Construction

Balance B/F -	40,251,754	34,144,371
Cost Incurred During the Year	25,014,396	6,107,383
Transferred	(19,051,280)	-

	46,214,870	40,251,754
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Land Development Cost*

Balance B/F -	14,349,471	
Cost Incurred During the Year	13,350,381	14,349,471
Transferred		

	27,699,852	14,349,471
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Total Capital Working Progress	84,024,722	64,711,225
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13 Investments

Long term investment (Note 13.1)	151,594,466	145,322,938
Short term investment (Note 13.2)	4,730,176,347	3,963,681,274

	4,881,770,813	3,963,681,274
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13.1 Long term investment

Loans and receivable financial assets

Investment in Treasury Bonds	151,594,466	145,322,938
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Settlement Value Rs.148,015,856.66		
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Maturity Date - 2027.09.15		
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	151,594,466	145,322,938
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13.2 Short term investment

Repo	-	-
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Short term investments	4,730,176,347	3,963,681,274
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	4,730,176,347	3,963,681,274
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Fixed Deposits amounting Rs.1,076,192,656 have been pledged against bank Guarantees as of 31.12.2024.

14 Inventories

Inventories - Construction Materials	865,601,139	808,100,936
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Disposal Of Material	-	-
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	865,601,139	808,100,936
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Notes to the Financial Statements

As At 31st December

		CESL	
		2024	2023
		Rs.	Rs.
15	Work In Progress		
	Opening Balance	116,073,806	64,675,522
	Prior Year Adjustment		
	Reversal Of Prior Year Adjustment	(3,287,946)	(21,535,294)
	WIP for the Current Year	21,168,044	72,933,578
	Closing Balance	133,953,904	116,073,806
16	Biological Assets		
	Consumable Biological Assets - Animals	-	-
	Consumable Biological Assets - Corps	147,298	833,858
		147,298	833,858
17	Trade and Other Receivables		
	Trade Receivables (Note 17.1)	6,794,758,403	8,263,328,619
	Other Receivables (Note 17.2)	179,338,645	32,293,478
	Deposits, Prepayments and Advances (Note 17.3)	337,174,283	242,488,023
		7,311,271,330	8,538,110,120
17.1	Trade Receivables		
	Debtors	3,049,955,954	2,397,002,063
	Due From Customers	837,799,843	875,385,621
	Retention Receivables	3,051,267,393	2,962,348,255
	Less - Provision for Impairment (Note 17.1.1)	(144,264,787)	(144,264,787)
		6,794,758,403	6,090,471,152
17.1.1	Provision for Impairment		
	Debtors	141,858,063	141,858,063
	Retention	2,406,723	2,406,723
	Provision for Expected Losses		
	Prior Year Adjustment (Provision)	-	-
		144,264,787	144,264,787
17.2	Other Receivables		
	Staff Loan	8,274,147	
	Staff Cost		
	Vehicle Loan		
	Other Loan (Computer)		
	Cash Abatements		
	Bank Loan		
	General Suspence	-	
	Sundry Debtors	33,688,111	
	Withholding Tax Receivables (IFRS Adjustment)	-	
	Refundable Deposits	136,047,018	
	Mobilization Advance Paid	262,301,900	
	Salary Advances	-	
	Festival Advances	-	
	Special Advances (salaries)	-	
	Travelling Advances	-	
	Special Advances	109,997	
	Fuel Advances	23,921	
	Purchase Advance	28,631,093	
	Cash float	23,783,452	
	Fuel Imprest	40,000	
	Prepayments	22,283,920	
	Economic Service Charge Receivable (ESC)	-	0
	WHT Deduction - From Payments	1,329,369	1,329,369
	Staff Loans	8,274,147	4,010,429
	Prepaid Staff Cost		723,285
	Refundable Deposits	136,047,018	77,428,482
	Other Taxes	-	-
	Sundry Debtors	33,688,111	22,248,797
	WHT Receivable	-	1,140,555
	Economic Service Charges - ESC	-	-
		179,338,645	106,880,917
17.3	Deposits, Prepayments and Advances		
	Mobilization Advance Paid	262,301,900	135,634,567
	Deposits	-	-
	Advances	52,588,463	122,485,869
	Prepayments	22,283,920	610,375
		337,174,283	258,730,811

Notes to the Financial Statements

As At 31st December

		CESL	
		2024	2023
		Rs.	Rs.
18	Cash and Cash Equivalents		
	Favorable Balances		
	Cash in Hand and at Bank	1,188,848,834	2,239,127,962
	Cash in Transit	209,394,098	-
		1,398,242,931	2,239,127,962
	Unfavorable Balances		
	Bank Overdraft	-	-
	Cash and Cash Equivalents for the Cash Flow Purpose	1,398,242,931	2,239,127,962
19	Defined Benefit Obligations		
(a)	The amounts recognised in the Financial Position are determined as follows:		
	Balance at the beginning of the year	41,891,785	28,136,483
	Current service cost	5,603,817	3,851,469
	Interest cost	5,445,932	5,064,567
	Actuarial (gain)/Loss during the year	5,486,275	14,828,504
		58,427,809	51,881,023
	Benefits paid	(6,661,268)	(9,989,238)
	Abu dabhi Provision-End of service benefit for the full time workers	2,009,218	-
	Balance at the end of the year	53,775,759	41,891,785
(b)	Liability Recognized in the Financial Position		
	Present Value of Obligation as at 31 December 2023	53,775,759	41,891,785
	Un Recognised Actuarial Gains / (Losses)	-	-
	Net Liability in Financial Position	53,775,759	41,891,785
(c)	The amounts recognised in the Statement of Comprehensive Income are as follows:		
	Interest Cost	5,445,932	5,064,567
	Current Service Cost	5,603,817	3,851,469
		11,049,749	8,916,036
(d)	The amounts recognised in the Statement of Other Comprehensive Income are as follows:		
	Actuarial (Gain) / Loss recognized	5,486,275	14,828,504
		5,486,275	14,828,504

The Retirement Benefit Obligation of the company as at 31st December 2024 is based on the Projected Unit Credit (PUC) Method as recommended by the LKAS 19 Employee Benefits.

Abu Dabhi Provision End of Service Benefit for full time workers-Calculated base on the Federal Decree Law No. (33) of 2021, Article 51

Following fixed deposits had been built up against the relevant obligation.

Fixed Deposit Number	Amount (Rs.)
90405074	7,930,839.00
90405041	2,403,284.53
90405004	1,201,642.28
90405058	3,004,105.69
90643070	5,921,760.14
90643073	5,921,760.14
90643067	4,737,408.12
90643064	3,553,056.08
93911101	5,000,000.00
93911152	5,000,000.00
93911175	5,000,000.00
93911189	5,000,000.00
Total as at 31.12.2024	54,673,856

Key assumptions used in the computation includes the following;

Rate of Discount 11%

Salary Incremental Rates 7%

Staff Turnover Rates: 14 % upto 54 and thereafter 0%

Retirement Age 60 Years

Mortality: A 67/70 Mortality Table

Notes to the Financial Statements

As At 31st December

		CESL	
		2024	2023
		Rs.	Rs.
20	Deferred Tax		
	Balance at the beginning of the year	32,616,677	14,265,531
	Provision for the year	(44,401,644)	18,351,146
	Balance at the end of the year	(11,784,967)	32,616,677
21	Trade and Other Payables		
	Trade Payables (Note 20.1)	11,048,273,790	10,540,072,450
	Other Payables (Note 20.2)	383,106,249	210,871,174
		11,431,380,039	10,750,943,624
21.1	Trade Payables		
	Creditors	1,671,903,493	1,651,297,068
	Due to Customers	5,539,922,763	4,188,912,165
	Mobilization & Other Advances	2,961,002,512	4,231,574,515
	Retention Payables to Contractors	875,445,022	766,084,733
		11,048,273,790	10,837,868,481
21.2	Other Payables		
	EPF Payable	5,276,348	2,666,124
	ETF Payable	576,632	399,919
	Yasasa Loan Payable	143,671	-
	WHT Deductions From Payments	1,290,481	1,325,943
	Medical Insurance Deduction	2,466,632	2,284,482
	Death Grant Deduction	498,650	-
	Sundry Creditors	46,760,746	24,948,279
	Accrued Expenses	26,966,395	15,699,569
	Unpaid Staff Cost	16,256,442	16,417,267
	PAYE tax	2,127,992	4,060,763
	SSCL	49,477,888	(8,447,959)
	Other Taxes	231,264,372	283,142,177
		383,106,249	342,496,564
22	Income Tax Payables		
	Balance at the beginning of the year	45,262,559	51,413,668
	Income tax for the year	217,091,148	120,573,174
	Provision in respect of the last year	(33,719,763)	(20,493,987)
	Payments made during the year	(67,875,346)	(78,613,240)
	Withholding Tax (WHT)	(22,815,951)	(27,617,056)
	Balance at the end of the year	137,942,647	45,262,559

Notes to the Financial Statements

For the year Ended 31st December 2024

23 Related Party Transactions

23.1 Transaction with Parent

- a) Eng. A.P. Jayathissa was the chairman of CESL and Eng. A.M.D.B. Athapaththu, Mrs. J.K.N. Samanmalee, Eng. S.A.U.D.C. Siriwardhana, Eng. S.S.A. Kalugaldeniya, Mr. M.B.L. Rahman, Mrs. G.V.A.R.M. De Silva who were Directors of CESL as at 28 February 2025.

Further key management personal of CESL are as follows

Name	Designation	Base Office
Eng.S.B.A.D Semasinghe	Chief Executive Officer	
Eng. P.M.P.C. Gunathilake	Chief Operation Engineer	East & Uwa
Eng. J.D. Sunil	Chief Operation Engineer	South
Eng. H.W.R.K. Heendeniya	Chief Operation Engineer	WP1
Eng. A. Pushparajah	Chief Operation Engineer	North & North Central
Eng. W.E.P. Ranjan Kumara	Chief Operation Engineer	WP2
Eng. M.N. Gunasena	Chief Operation Engineer	Central Province
Eng. S.B.A.D. Semasinghe	Chief Operation Engineer	MKDP & IRC
Eng. H.M.T.N. Dhanawardhana	Chief Operation Engineer	C & SD
Eng. T.M.S.P. Thennakoon	Chief Operation Engineer	EMIT & Transport
Mr. H.M.I.U. Herath	A/Chief Financial Officer	

b) Nature of the Transactions	Amount 2024 Rs.
Construction Revenue	5,432,308,617
Hiring Income	753,368

23.2 Terms and conditions of transactions with related parties

The Income from related party and expenditure incurred or purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This note should be read in conjunction with Note No. 19 to these Financial Statements.

Terms and conditions of transactions with related parties

LKAS 26 'Related Party Disclosures', Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non-Executive Directors) as key management personnel of the CECB/Group have been classified as Key Management Personnel.

Compensation paid to Key Management Personnel

	2023 Rs.	2024 Rs.
Salaries and other Employment Benefits	1,403,163	1,062,500

24 Commitments and contingencies

There were no material Commitments and Contingent liabilities in CESL as at the reporting date.

Indicative AED Financial Statements
Statement of Profit or Loss Statement for Information Purposes only

Central Engineering Services (Pvt) Limited
Statement of Comprehensive Income
SOE - IRC ABU DHABI
For the period Ended 31st December 2024

	Company 2024	
	AED	LKR
Revenue	1,281,847	108,035,342.79
Cost of Sales	(1,210,178)	(101,995,053.32)
Gross Profit	71,668	6,040,289
Other Income	132	11,099.81
Administration Expenses	(764,915)	(64,467,813.76)
Selling and Distribution Expenses	-	-
Results from Operating Activities	(693,115)	(58,416,424)
Finance Income	-	-
Finance Cost	(1,899)	(160,007.48)
Net Finance Income	(1,899)	(160,007)
Profit Before Income Tax	(695,013)	(58,576,432)
Income Tax Expense		
Profit/(Loss) for the Year	(695,013)	(58,576,432)
Other Comprehensive Income		
Revaluation of Motor Vehicles	-	-
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(695,013)	(58,576,432)
Net Profit Margin	-54%	-54%
Gross Profit Ratio	6%	6%

Currency converted Exchange rate as at 31st December 2024

1 AED=LKR 84.281

Indicative AED Financial Statements

Statement of Profit or Loss Statement for Information Purposes only

Central Engineering Services (Pvt) Limited

Statement of Financial Position

As at 31st December

SOE - IRC ABU DHABI

	Company 2024	
	AED	LKR
Non-Current Assets		-
Property, Plant and Equipment	42,128	3,550,590
Investments	-	-
Total Non-Current Assets	42,128	3,550,590
Current Assets		
Inventories	35,032	2,952,532
Work in Progress	-	-
Trade and Other Receivables	616,856	51,989,241
Short term Investments	-	-
Cash and Cash Equivalents	335,550	28,280,490
Total Current Assets	987,438	83,222,262
Total Assets	1,029,566	86,772,852
Equity & Liability		
Revaluation Reserve	-	-
Retained Earnings	(695,013)	(58,576,432)
Total Equity	(695,013)	(58,576,432)
Non-Current Liabilities		
Retirement Benefit Obligation	23,840	2,009,014
Differed Tax	-	-
Amounts Due to Related Companies	-	-
Total Long term Liabilities	23,840	2,009,014
Current Laibilities		
Trade and Other Payables	176,159	14,847,059
Income Tax Payables	-	-
Lease Creditors	-	-
Inter Base Current Accounts	1,524,581	128,493,211
Total Current laibilities	1,700,742	143,340,270
Total Equity & Liabilities	1,029,566	86,772,852

BALANCE WORK

Job Code	Job Description	COE Section	Initial Contract Sum (Rs.)	Revised Contract Sum (Rs.)	Revised Con. Sum (May)	Balance Work (Rs.)	% of Completion	Scheduled Date of Completion	Client
BD752	President Quarters & Staff Accommodation F2 Building in Balance Scope of National College of Education & Teachers Training Centre for Technology Stream at Narangalla	WP1	143,089,431.00	143,089,431.00	143,089,431.00	113,401,838.56	21%	5/08/2025	CP Engineering Consultancy Bureau
BD731	Design and construction of Four storied Building Complex at Hindu Collage, Colombo 04	WP1	212,321,179.00	212,321,179.00	212,321,179.00	141,260,119.79	33%	7/10/2025	Ministry of Education
BD739	Construction of three storied Building for Sri Sumanajothi Vidyalaya Hanwella	WP1	50,472,988.30	50,472,988.30	50,472,988.30	17,982,467.65	64%	10/02/2025	Ministry of education
BD657	Design, Construction & Remedying defects of the Magistrate Courts Complex Colombo 12	WP1	1,755,000,000.00	6,631,950,586.43	7,508,800,674.00	2,890,330,478.28	56%	12/01/2023	Ministry of Justice
BD623	Renovation of Superior Courts Complex at Colombo 12	WP2	1,058,423,437.50	1,058,423,437.50	1,058,423,437.50	239,513,291.20	77%	14/10/2025	Ministry of Justice
BD741	Construction Of New Toilet Block & Balance Work Of Judicial Commission Building	WP2	41,294,834.16	41,294,834.16	41,294,834.16	33,690,913.19	18%	31/12/2025	CP Engineering Consultancy Bureau
BD279	Construction Of Head Office Building For Ministry Of Health	WP2	4,608,543,942.66	10,480,349,458.22	10,480,349,458.22	6,924,557,665.17	34%	7/12/2019	Ministry of Health, Nutrition & Indigenous Medicine
BD531	Construction of Medical Wards Complex Phase II, General Hospital, Kalutara	WP2	1,926,289,253.86	1,926,289,253.86	1,926,289,253.86	1,488,832,625.96	23%	12/08/2020	Ministry of Health, Nutrition & Indigenous Medicine
BD742	Renovation of the Main Building of the Department of National Archives and Installing CP Air Cooling, Fire Protection and Advanced Security System Stage ii	WP2	1,308,074,077.56	1,308,074,077.56	1,308,074,077.56	1,202,314,292.28	8%	31/12/2026	Department of National Archives
MS122	Construction Of The Green Industrial & Techno Development Zone At Raigampura	WP2	346,160,502.95	376,890,618.80	376,890,618.80	125,177,657.79	67%	2/06/2020	Ministry of Industry & Commerce
BD733	Proposed Bus Stand Development Project at New Town, Rathnapura	WP2	76,486,636.55	90,866,124.22	90,866,124.22	25,348,936.34	72%	4/01/2025	Cheif Ministry - Sabaragamuwa Province
BD694	Proposed Construction of Cardiac Care Complex- Teaching Hospital, Rathnapura	WP2	995,165,592.57	1,253,997,922.09	1,253,997,922.09	1,052,803,570.94	16%	30/11/2026	Ministry of Health, Nutrition & Indigenous Medicine
MS222	Teachers Training Center for Technology Stream at Narangolla - MOE Scope	CP	988,853,759.14	940,000,000.00	940,000,000.00	100,633,939.63	89%	23/11/2024	Ministry of Education

BALANCE WORK

Job Code	Job Description	COE Section	Initial Contract Sum (Rs.)	Revised Contract Sum (Rs.)	Revised Con. Sum (May)	Balance Work (Rs.)	% of Completion	Scheduled Date of Completion	Client
BD589	Faculty Building of The Livestock, Fisheries and Nutrition, Wayamba University of Sri Lanka	CP	200,579,800.00	237,089,949.85	269,720,815.36	18,000,000.00	92%	18/10/2020	
BD686	Improvement of Visitor Facilities in Nanu Oya Railway Station	CP	74,123,540.64	85,576,656.14	85,576,656.14	4,529,000.00	95%	5/08/2022	Ministry of Tourism
BD254	Construction of proposed Linear Accelerator room & Radiotherapy Department @ Kurunegala teaching hospital	CP	144,372,737.13	338,064,301.81	338,064,301.81	200,000,000.00	41%	11/10/2016	Ministry of Health, Nutrition & Indigenous Medicine
BD678	Wayamba university Township development project	CP	1,712,298,775.53	2,950,000,000.00	1,900,352,919.25	34,644,295.60	99%	22/02/2023	
BD338	Cancer Treatment Center - Stage II, General Hospital (Teaching) - Kandy	CP	1,071,830,445.08	3,072,870,085.35	3,072,870,085.35	2,104,483,404.88	32%	27/04/2019	Ministry of Health, Nutrition & Indigenous Medicine
BD680	New Isolation Building for Covid 19 at the Premises of National Hospital Kandy	CP	275,637,228.00	336,545,955.09	336,545,955.09	73,037,049.83	78%	28/02/2022	Ministry of Health, Nutrition & Indigenous Medicine
BD410	Construction of Bone Marrow Transplant Center at Teaching Hospital Kandy	CP	745,130,434.80	1,933,144,599.82	1,933,144,599.82	1,090,910,589.88	44%	7/05/2019	Ministry of Health, Nutrition & Indigenous Medicine
SW013	Proposed waste water & sewer Disposal System stage I for SIBA Campus	CP	18,327,478.00	18,327,478.00	18,327,478.00	3,000,000.00	84%	26/01/2025	Sri Lanka International Buddhist Academy
BD636	Construction of a Building for Accident and Emergency Care unit at District General Hospital - Ampara	E & U	759,248,130.05	759,248,130.05	759,248,130.05	206,272,229.65	73%	8/01/2022	Ministry of Health, Nutrition & Indigenous Medicine
MS248	Carrying out consolidation grouting across Kiri Oya - Habarana along the TBM path - Construction of Upper Elaheera Tunnel (Right bank)	E & U	15,922,000.00	15,922,000.00	15,922,000.00	6,583,450.00	59%	9/04/2025	General Manager CECB
BD620.IG	Construction of Surgical Wards and Operation Theater Complex at Monaragala District General Hospital	E & U	629,149,985.35	629,149,985.35	629,149,985.35	275,888,889.80	56%	4/03/2022	Ministry of Health, Nutrition & Indigenous Medicine
BG038	Construction of sub structure and road Mookiryan Odai bridge across Mookiryan Odai river in Punnal in Batticaloa	E & U	174,414,006.00	174,414,006.00	174,414,006.00	125,336,834.88	28%	22/09/2024	Road Development Authority
PG012	Construction of the Eastern Province National Sports Complex - Phase II (Balance work) Trincomalee	E & U	66,967,100.00	66,967,100.00	66,967,100.00	19,336,570.56	71%	25/03/2025	General Manager CECB

BALANCE WORK

Job Code	Job Description	COE Section	Initial Contract Sum (Rs.)	Revised Contract Sum (Rs.)	Revised Con. Sum (May)	Balance Work (Rs.)	% of Completion	Scheduled Date of Completion	Client
WT035	Pipe laying of UPVC / DI pipes, fittings, valves, specials and accessories in Akkaraipattu Region	E & U	289,511,129.00	289,511,129.00	289,511,129.00	194,589,505.87	33%	6/07/2022	National Water Supply & Drainage Board
MS241	Carrying out Consolidation Grouting work across Ruppe Ela	E & U	9,412,700.00	9,412,700.00	9,412,700.00	3,461,995.00	63%	3/01/2024	General Manager CECB
BD743	Construction of Toilet blocks for Barendi Kovil and Seethawaka Rajasinghe Palace in Dehivita divisional secretary area	E & U	14,808,328.70	14,808,328.70	14,808,328.70	6,141,146.48	59%	15/11/2024	Ministry of Urban Development and Housing
BD692	Establishment of cardiology unit with cath lab at District General Hospital, Ampara	E & U	304,088,823.68	304,088,823.68	304,088,823.68	296,763,136.18	2%	4/01/2023	Ministry of Health, Nutrition & Indigenous Medicine
WT012	Intake Structure of Bandarawela, Diyathalawa, Haputhale Integrated Water Supply Project	E & U	496,907,932.95	496,907,932.95	496,907,932.95	60,000,000.00	88%	25/08/2020	National Water Supply & Drainage Board
BD 238/736	Linear Accelerator Room at Anuradhapura	N & NC	692,712,628.00	651,544,270.43	651,544,270.43	504,295,330.49	23%	31/01/2026	Ministry of health
BD 451/737	Construction of Academic and Administration Building of the Nursing Training School at Anuradhapura (6 Storied)	N & NC	692,712,628.00	841,238,699.73	841,238,699.73	725,794,381.91	14%	10/09/2018	Ministry of health
BD534	Construction of Accident & Emergency Treatment Unit (Stage II) Teaching Unit Jaffna.	N & NC	1,224,641,243.88	2,270,016,428.17	2,270,016,428.17	1,072,198,522.89	53%	15/08/2020	Ministry of Health, Nutrition & Indigenous Medicine
BD 624	Construction of proposed Town Hall in Jaffna	N & NC	2,142,484,847.58	2,142,484,847.58	2,142,484,847.58	567,360,044.67	74%	9/10/2021	Ministry of Megapolis and Western Development
WT034	Construction of Mankulam Water Supply Scheme	N & NC	251,836,196.47	166,875,347.46	172,528,867.46	18,372,033.70	89%	23/02/2023	National Water Supply & Drainage Board
BD 721	Completion of Balance work for Construction of 3 Storied Technological Faculty at MU/ Mallawi College	N & NC	82,565,963.35	82,565,963.35	82,565,963.35	13,674,489.29	83%	1/11/2024	Provincial Department of Education Northern Province
BD 722	Completion of balance work for Construction of 3 Storied Technological Faculty at Mn/Adampan MMV	N & NC	77,187,672.00	77,187,672.00	77,187,672.00	13,355,897.62	83%	1/11/2024	Provincial Department of Education Northern Province
BD746	Four Storeyed Medical Officers' Quarters at Base Hospital, Telipalai, Jaffna	N & NC	72,746,763.21	72,746,763.21	72,746,763.21	28,040,424.05	61%	12/06/2025	Ministry of Health
WT038	Construction of 1000 m3 capacity elevated water tower at Vellimalai for Musali Water Supply Scheme	N & NC	168,644,679.28	168,644,679.28	168,644,679.28	143,160,808.20	15%	1/11/2025	National Water Supply and Drainage Board

BALANCE WORK

Job Code	Job Description	COE Section	Initial Contract Sum (Rs.)	Revised Contract Sum (Rs.)	Revised Con. Sum (May)	Balance Work (Rs.)	% of Completion	Scheduled Date of Completion	Client
WT 039	Construction of 1000m ³ Capacity Elevated Water Tower at Nanaddan for Musali Water Supply Scheme	N & NC	161,566,916.72	161,566,916.72	161,566,916.72	132,424,185.05	18%	22/12/2025	National Water Supply and Drainage Board
BD690	Construction of 153 Houses and Infrastructure Facilities in Sobitha Thero Village in Anuradhapura	MKDP	247,468,955.00	401,375,840.43	401,375,840.43	133,770,225.01	67%	8/09/2022	High Commission of India Colombo
BD683	Conservation Of Building No 01 In Mannar Dutch Fort	MKDP	50,259,767.74	80,260,932.13	80,260,932.13	51,880,730.22	35%	15/03/2022	Department of Archeology
BD669	Proposed National School with Multi-Ethnic & Tri-Lingual at Kaduruwela - Polonnaruwa Block 01	MKDP	200,664,128.00	229,807,192.00	229,807,192.00	-	100%	26/04/2024	High Commission of India Colombo
BD369	Proposed Design and Construction of Proposed Administrative Complex at New Town, Polonnaruwa.	MKDP	1,251,708,844.32	1,251,708,844.32	1,251,708,844.32	228,062,216.40	82%	15/12/2018	Ministry of Urban Development
BD570	Proposed CCF Office Building at Polonnaruwa	MKDP	35,714,488.19	35,714,488.19	35,714,488.19	38,692,000.00	-8%	31/03/2019	CP Cultural Fund
BD749	Construction of Renovation Activities at Dumbura Vana Niwahana, Matale.	MKDP	62,000,000.00	-	-	35,525,410.00	43%	30/06/2024	Forest Department
BD649	Design, Construction, Supervision, Commissioning, Completion and Maintenance of Twelve Storied Building Complex for the Faculty of Medicine, University of Ruhuna, Karapitiya, Galle	SP	1,065,287,004.98	2,236,905,368.45	2,236,905,368.45	1,315,391,221.48	41%	6/09/2021	University of Ruhuna
BD482	Construction of a Specialized Pediatric Unit in the Teaching Hospital, Karapitiya	SP	1,092,000,000.00	3,214,630,910.36	2,864,933,484.58	2,432,234,234.40	24%	22/06/2019	Ministry of Health, Nutrition & Indigenous Medicine
BD595	Design, Construction, Supervision, Commissioning, Completion and Maintenance of New Professorial 10 Storied Ward Complex in Teaching Hospital Karapitiya for the Faculty of Medicine, University of Ruhuna, Karapitiya, Galle	SP	1,138,355,200.00	3,100,213,257.37	2,450,138,000.00	1,661,289,516.01	46%	17/06/2022	University of Ruhuna
BD248	Proposed Linear Accelerator Room & Radiotherapy Department at General Hospital Hambantota	SP	207,918,598.38	347,296,057.99	347,296,057.99	194,182,055.85	44%	10/12/2016	Ministry of Health, Nutrition & Indigenous Medicine
BD481G	Construction of an Oral Health Unit at Teaching Hospital, Karapitiya - Phase 1	SP	701,100,000.00	2,284,403,876.57	2,284,403,876.57	1,835,585,201.63	20%	4/10/2019	Ministry of Health, Nutrition & Indigenous Medicine
BD723	Extension to Surgical / Medical ward at Karapitiya Hospital	SP	741,610,169.49	741,610,169.49	741,610,169.49	386,956,741.47	48%	29/11/2024	Ministry of Health, Nutrition & Indigenous Medicine

CORE STRENGTHS

Human Resource Strength



CESL has been handling large scale construction projects across the island with a team of highly skilled, innovative and experienced engineers who have been involved with a multitude of engineering projects. The staff (technical & non technical) strength of CESL is currently over 450 and this includes Engineers, Quantity Surveyors, Environmental & Social Experts, Architect Designers, Engineer Persons, Account Staff, HR & Admin Staff, IT Staff and Stores Staff.

SL No.	Description	Total Nos.	Educational Qualifications		Professional Experience: No of Professionals Having Experience in Related Field	
			No. of Postgraduate Degree Holders (PhD, MS or Equivalent)	No. of Graduate Degree Holders (Bachelors or Equivalent)	Less than 5 years	5 Years and above
1	Electrical Engineers	1	0	2	0	1
2	Mechanical Engineers	2	0	2	0	3
3	Civil Engineers	97	6	97	0	97
4	Architects	0	0	0	0	0
5	Environment / Climate Specialist	0	0	0	0	0
6	Project Manager	0	0	0	0	0
7	Administrative and Management Professionals	3	1	3	0	3
8	Accountants	6	3	6	1	5
9	Quantity Surveyor	5	0	5	3	2
10	Document Specialist	0	0	0	0	0
11	Other	349	1	17	57	292

TOTAL

463

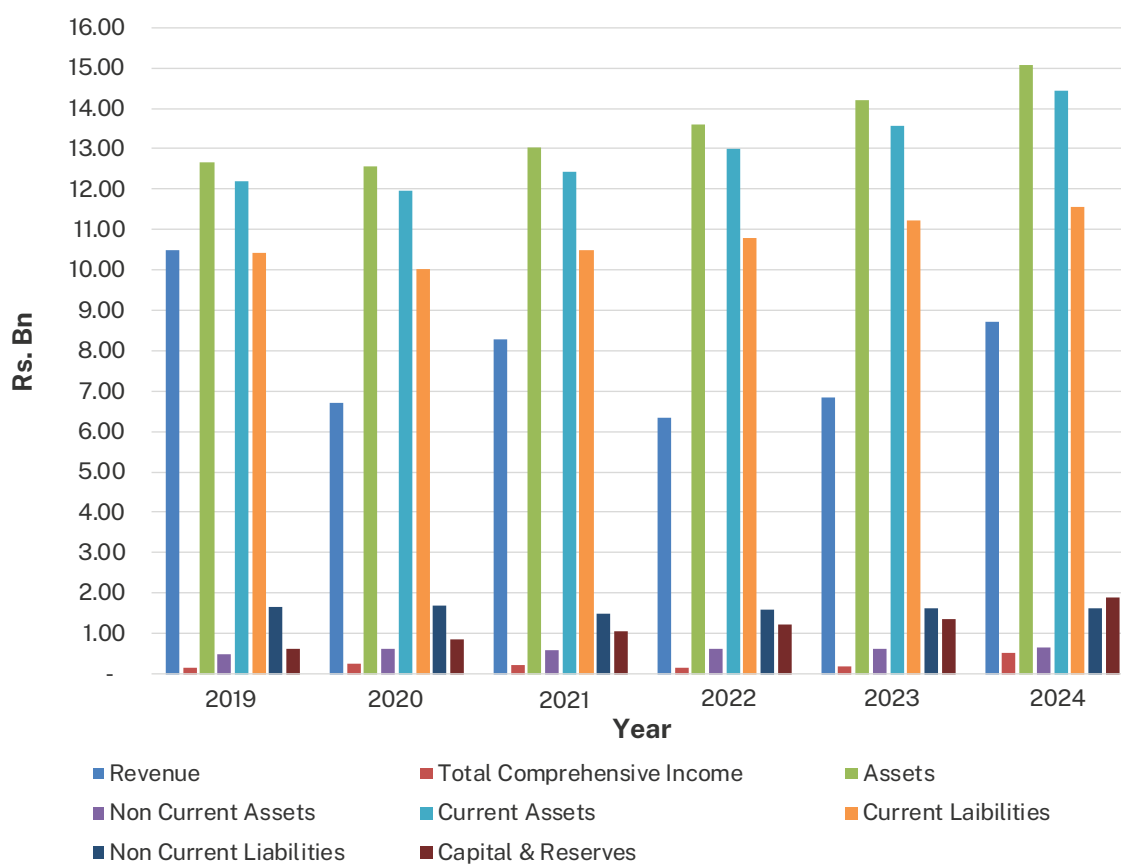
Machinery Strength



Our Machinery Fleet stands as a robust backbone to our operations. With a diverse and state-of-the-art fleet, we are equipped to handle a wide spectrum of construction projects. From heavy-duty excavators and bulldozers to advanced cranes, Asphalt batching plants, Crusher plants, ready-mixed concrete plants and over 150 specialized equipment's, our machinery is not just powerful but tailored for efficiency. This strength in diversity ensures that we meet the unique demands of each project, providing us with a competitive edge in delivering timely, precise, and high-quality construction services. Our commitment to investing in cutting-edge technology and maintaining a well-maintained fleet underscores our dedication to exceeding client expectations and achieving excellence in every endeavor.

FINANCIAL PERFORMANCE

	2019 Rs. Bn	2020 Rs. Bn	2021 Rs. Bn	2022 Rs. Bn	2023 Rs. Bn	2024 Rs. Bn
Revenue	10.47	6.69	8.30	6.33	6.85	8.72
Total Comprehensive Income	0.14	0.25	0.21	0.16	0.17	0.52
Assets	12.68	12.56	13.03	13.61	14.21	15.08
Non Current Assets	0.47	0.61	0.59	0.63	0.63	0.64
Current Assets	12.21	11.95	12.44	12.98	13.58	14.44
Current Laibilities	10.42	10.01	10.49	10.80	11.22	11.56
Non Current Liabilities	1.66	1.69	1.48	1.58	1.62	1.62
Capital & Reserves	0.60	0.86	1.06	1.23	1.37	1.88



SIX YEAR SUMMARY

Statement of Profit or Loss and Other Comprehensive Income Highlights

		2019	2020	2021	2022	2023	2024
Revenue	Rs. Mn	10,474	6,694	8,298	6,332	6,854	8,724
Gross Profit	Rs. Mn	781	622	840	636	470	1,058
EBITDA	Rs. Mn	212	86	266	262	318	291
EBIT	Rs. Mn	55	(62)	138	(58)	(383)	190
Net Finance Income	Rs. Mn	151	132	116	312	685	473
Profit After Tax	Rs. Mn	141.4	59.1	210.6	160.6	184.2	525.0
Profit Attributable to Owners	Rs. Mn	141.4	59.1	210.6	160.6	184.2	525.0

Statement of Financial Position Highlights

Property, Plant and Equipemnt	Rs. Mn	473	610	591	625	629	630
Total - Non Current Assets	Rs. Mn	473	610	591	625	629	641
Cash and Cash Equivalent	Rs. Mn	311	308	651	653	2,239	1,398
Short Term Deposits	Rs. Mn	1,759	2,291	2,336	2,746	3,963	4,730
Total Assets	Rs. Mn	12,681	12,558	13,033	13,609	14,213	15,081
Stated Capital	Rs.	10,000,020	10,000,020	10,000,020	10,000,020	10,000,020	10,000,020
Retained Earnings	Rs. Mn	594	652	859	1,021	1,207	1,728
Equity Attributable to Owners	Rs. Mn	604	856	1,063	1,226	1,367	1,888
Total Non Current Liabilities	Rs. Mn	1,655	1,689	1,476	1,580	1,620	1,623

Statement of Cash Flow Highlights

Cash flow from Operating Activities	Rs. Mn	(227)	472	407	295	2,309	(425)
Cash Flow used in Investing Activities	Rs. Mn	241.5	(475.1)	(64.5)	(293.4)	(723.0)	(415.0)
Cash Flows from / (used in) Fianancing Activities	Rs. Mn	-	-	-	-	-	-

Key Financial Ratios

EPS	Rs.	1,410.7	574.7	2,055.4	1,621.8	1,694.1	5,207.4
Net Assets per Share	Rs.	6,049	8,569	10,640	12,262	13,677	18,885.36
ROE		23%	7%	20%	13%	13%	28%
Current Ratio		1.2	1.2	1.2	1.2	1.2	1.2
Quick Ratio		1.10	1.12	1.09	1.11	1.14	1.2

Directors remuneration for the year ended 31st December 2024 is **Rs. 612,500.00**

Auditors fee for the year ended 31st December 2024 is **Rs. 1,503,600.00**

CORPORATE INFORMATION

NAME OF THE COMPANY

Central Engineering Services (Pvt) Ltd.

PARENT COMPANY

Central Engineering Consultancy Bureau

COMPANY REGISTRATION NO.

PV 16723

(Under the Companies Act No 7 of 2007)

REGISTERED OFFICE

No. 415, Bauddhaloka Mawatha,
Colombo 7, Sri Lanka.

Tel: (+94)11 2668800

Email: info@cesl.lk

Web: www.cesl.lk

LEGAL FORM

Private Company with Limited Liability

BANKERS

Bank of Ceylon Sri Lanka
Peoples Bank Sri Lanka

COMPANY SECRETARIES

Miss J.A.I.C.Jayasinghe

No. 11, Jawatta Road,
Colombo 5, Sri Lanka.

AUDITORS

National Audit Office
No. 306/72, Polduwa Road,
Battaramulla, Sri Lanka.

CHAIRMAN

Eng. A.P. Jayathissa

B.Sc. Eng, C.Eng, MIE(SL), Dip (Commercial Arbitration)

No. 415, Bauddhaloka Mawatha, Colombo 7, Sri Lanka.

CHIEF EXECUTIVE OFFICER

Eng. S.B.A.D. Semasinghe

BSc. Eng., MSc. Dip(Geo.Tech), C. Eng., MIE(SL)

No. 11, Jawatta Road, Colombo 5, Sri Lanka.

BOARD OF DIRECTORS

Eng. A.P. Jayathissa - Chairman

Eng. A.M.D.B. Atapattu - Director

Mrs. J.K.N. Samanmalee - Director

Mr. M.B.L. Rahuman - Director

Eng. S.A.U.D.C. Siriwardhana - Director

Eng. S.S.A. Kalugaldeniya - Director

Mrs. G.V.A.R.M. De Silva - Director

EXPERTISE

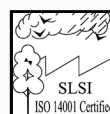
Buildings | Roads | Bridges and Culverts | Irrigation
Structures | Sewage & Water Treatment Plants |
Construction in Environmental Sensitive Areas |
Environment & Climate | Hydropower & Renewable
Energy | Geo-Technical Engineering | Geospatial
Engineering | Digital Engineering | Interior Design |
Project Management

CERTIFICATIONS

ISO 9001:2015 for Quality Management System

ISO 14001:2015 for Environment Management System

ISO 45001:2018 for Occupational Health and Safety
Management System





ANNUAL REPORT

2024

CENTRAL ENGINEERING SERVICES (PVT) LTD.

No. 11, Jawatta Road, Colombo 05.

Tel: 011- 2668800

Email: info@cesl.lk



www.cesl.lk

