

NAVAM LANKA LIMITED
FINANCIAL STATEMENTS
31ST MARCH 2024

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PONNAMPERUMA & CO.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NAVAM LANKA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Navam Lanka Limited (the Company), which comprise the statement of financial position as at March 31, 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-Sized Entities (SLFRS for SMEs).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information may cover, but not limited to any report or document which may accompany this financial statement. Our opinion on the financial statements does not cover such other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

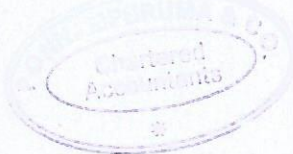
If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-Sized Entities (SLFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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


A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at <http://slaasc.lk/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

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



PONNAMPERUMA & Co.

Chartered Accountants

Colombo.

April 10, 2024



NAVAM LANKA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March

		2024	2023
	Note	Rs.	Rs.
Revenue	3	2,804,792,585	1,604,450,584
Cost of Sales		(2,320,840,620)	(1,237,968,820)
Gross profit		483,951,965	366,481,764
Other Income	4	(28,566,050)	113,637,231
		455,385,915	480,118,995
Administration Expenses	5	(86,126,921)	(77,295,594)
Selling & Distribution expenses	6	(30,676,892)	(32,036,981)
Finance Expenses	7	(7,098,496)	(13,299,059)
Profit Before Taxation		331,483,606	357,487,360
Income Tax Expenses	8	(93,428,402)	(78,475,250)
Net Profit for the year from Continuing Operations		238,055,204	279,012,109
Other Comprehensive Income		-	-
Total Comprehensive Income / (Expense) for the year		238,055,204	279,012,109
Basic Earnings/(Loss) Per Ordinary Share (Rs.)	9.1	266	311
Dividend Per Ordinary Share (Rs.)	9.2	-	220

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes on pages 07 to 15 form an integral part of these financial statements.



NAVAM LANKA LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,

		2024	2023
	Note	Rs.	Rs.
Assets			
Non-Current Assets			
Property, Plant & Equipment	10	98,431,777	104,390,250
Bank Fixed Deposits - Seylan Bank Plc	11	95,400,000	105,000,000
		<u>193,831,777</u>	<u>209,390,250</u>
Current Assets			
Inventories	12	143,640,845	129,266,053
Trade and Other Receivables	13	676,938,679	371,861,439
Deposit, Prepayments and Advances	14	8,440,344	3,971,742
Cash & Cash Equivalent	15	34,189,360	78,643,809
		<u>863,209,228</u>	<u>583,743,043</u>
Total Assets		<u>1,057,041,005</u>	<u>793,133,293</u>
Equity and Liabilities			
Stated Capital	16	89,634,400	89,634,400
Retained Earnings	17	903,689,104	665,633,900
		<u>993,323,504</u>	<u>755,268,300</u>
Liabilities			
Non-current Liabilities			
Retirement Benefit Obligations	18	13,659,016	14,141,576
		<u>13,659,016</u>	<u>14,141,576</u>
Current Liabilities			
Trade and Other Payables	19	16,229,810	5,986,048
Income Tax Payable	20	20,664,748	10,084,081
Accrued Expenses	21	13,163,927	7,653,288
		<u>50,058,484</u>	<u>23,723,417</u>
Total equity and liabilities		<u>1,057,041,005</u>	<u>793,133,293</u>
Net Assets per Ordinary Share	22	1,108	843

The Significant Accounting Policies and Notes on pages 07 to 15 form an integral part of these financial statements.

Certification

I Certify that the above Financial Statements have been prepared in accordance with the requirements of the Companies Act of 2007

.....
(Head of Finance)

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed on behalf of the Board of Directors of Navam Lanka Limited.

.....
(Director)

10th April 2024

.....
(Director)



NAVAM LANKA LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2024

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st April 2022	89,634,400	745,159,391	834,793,791
Profit for the year	-	279,012,109	279,012,109
Dividend Paid	-	(358,537,600)	(358,537,600)
Balance as at 31st March 2023	89,634,400	665,633,900	755,268,300
Balance as at 01st April 2023	89,634,400	665,633,900	755,268,300
Profit for the year	-	238,055,204	238,055,204
Balance as at 31st March 2024	89,634,400	903,689,104	993,323,504

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes on pages 07 to 15 form an integral part of these financial statements.



NAVAM LANKA LIMITED
STATEMENT OF CASH FLOW

For the year ended 31st March

	2024	2023
	Rs.	Rs.
Cash flow from operating activities		
Net profit before taxation	331,483,606	357,487,360
<i>Adjustment for,</i>		
Depreciation	8,729,689	8,697,330
Loss on Disposal of Fixed Asset	134,735	2,163,566
Gratuity provision	1,045,599	3,331,475
Interest expenses	7,098,496	13,299,059
Operating profit before working capital changes	348,492,125	384,978,791
(Increase) /decrease in inventories	(14,374,793)	(9,185,008)
(Increase) /decrease in trade and other receivables	(305,077,240)	591,420,500
(Increase) /decrease in deposits and prepayments	(4,468,602)	2,117,491
Increase /(decrease) in trade and other payables	15,754,401	(3,856,149)
Cash flow generated from operations	40,325,892	965,475,625
Tax paid	(82,847,735)	(127,332,466)
Interest paid	(7,098,496)	(13,299,059)
Gratuity Paid	(1,528,159)	(2,171,733)
Net cash flow from operating activities	(51,148,498)	822,672,367
Cash flow from Investing activities		
Acquisition of property, plant and equipment	(2,905,950)	(10,482,676)
Uplift / (Invest) in Fixed deposits	9,600,000	(105,000,000)
Net cash used in investing activities	6,694,050	(115,482,676)
Cash flow from Financing activities		
Dividend Paid	-	(358,537,600)
Net cash used in financing activities	-	(358,537,600)
Net Increase / (Decrease) in Cash and Cash Equivalents	(44,454,449)	348,652,092
Cash and Cash Equivalents at Beginning of the Year	78,643,809	(270,008,283)
Cash and Cash Equivalents at End of the Year	34,189,360	78,643,809
<i>At the End</i>		
Cash at Bank	33,700,165	77,647,278
Cash in hand	489,195	996,531
	34,189,360	78,643,809

The Significant Accounting Policies and Notes on pages 07 to 15 form an integral part of these financial statements.



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the Year Ended 31st March 2024.

1. CORPORATE INFORMATION

- 1.1** Navam Lanka Limited (“the company”) is a limited liability company registered in Sri Lanka under the Companies Act No.17 of 1982 and re-registered under the Act No. 07 of 2007. And the registered office is Located at Plot No 27 “A” MEPZ, Export Processing Zone, Mirigama.
- 1.2** The Company is engaged in collecting, recycling and processing including segmentation, bailing, cutting of ferrous and non-ferrous metal scraps like lead battery scrap to produce lead ingots and polypropylene granules for export.
- 1.3** The financial Statements were authorized for issue by the Board of Directors of Navam Lanka Limited on 10th April 2024.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Statement of compliance

The statement of financial position, statement of comprehensive income and statement of cash flow together with accounting policies and notes (financial statements) of the Company as at 31st March 2024 and for the year then ended, comply with the Sri Lanka Accounting Standards for small and medium sized entities (SLFRS for SMEs) and the Companies Act No.07 of 2007.

2.1.2 Basis of Preparation

The financial statements of the Company have been prepared on a going concern basis and in compliance with the Sri Lanka Accounting Standards for small and medium sized entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka. All values appearing in the financial statements are presented in Sri Lanka Rupees (Rs.) rounded to the nearest rupee. The basis of measurement used is the historical cost basis, except where otherwise stated in the accounting policies below.

2.1.3 Functional and presentation currency

These financial statements are presented in Sri Lankan Rupees which is the Company’s functional and presentation currency.

2.1.4 Use of estimates and judgments

The preparation of the financial statements in conformity with SLFRSs requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimate can result in outcomes that could require material adjustments to the carrying amount of the asset and liability affected in future.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.2.1 Income Recognition

A) Sales of Goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied;

- i. The Company transferred significant risks and rewards of ownership of the goods to the buyer.
- ii. The Company retaining, neither a continuing management involvement to the degree usually associated with ownership nor an effective control over the goods sold.
- iii. The amount of revenue can be measured reliably and it is possible that the economic benefits associated with the transaction will flow to the entity; and
- iv. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

B) Interest Income

Interest income is recognized in the financial statements on accrual basis.

NAVAM LANKA LIMITED

NOTES TO THE ACCOUNTS (Contd....)

For the Year Ended 31st March 2024.

C) Foreign Currencies

All foreign currency transactions are accounted at the exchange rates prevailing at the date of the transactions. Gain and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Assets and liabilities in foreign currencies have been translated at the rates of exchange prevailing at the Date of Financial Position.

2.2.2 Expenditure Recognition

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and maintaining the property, plant and equipment in state of efficiency has been charged to Income arriving at the profit for the year.

2.2.3. Property, plant and equipment

2.2.3.1 All items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment are the cost of purchase or construction together with any incidental expenses thereon.

2.2.3.2 Free hold land is not depreciated. For all other assets, depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives using the straight-line method. Depreciation of an asset begins when it is available for use and ceases at the earlier date that the asset is classified as held for sale and the date that asset is derecognized.

The following annual rates are used for depreciation of property, plant and equipment;

	Rate	Useful life
Building	3.33%	30
Plant & Machinery	5.00%	20
Office Equipments	20.00%	05
Computers	25.00%	04
Furniture & fittings	20.00%	05
Motor Vehicles	10.00%	10

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of asset is revised prospectively to reflect the new expectations.

2.2.4 Leased Assets

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

Other Leases are operating lease and, except for investment Property, the leased assets are not recognized in the Statement of Financial Position. Investment Property held under an operating lease is recognized in the Statement of Financial Position at its fair value.

2.2.5. Financial Instruments

Trade and other receivables are recognized initially at the transaction price. All sales are made on the basis of normal credit terms and trade receivables do not bear interest. 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, an impairment loss is recognized immediately in profit or loss.

Financial liabilities are initially recognized at transaction price (including transaction cost). Trade Payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortized cost using the effective interest method.

NAVAM LANKA LIMITED

NOTES TO THE ACCOUNTS (Contd....)

For The Year Ended 31st March 2024.

2.2.6. Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid Investments, readily convertible to identified amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investment with short maturities, i.e. three months or less from the date of acquisitions is also treated as cash equivalents. Cash flow statement is presented using the indirect method.

2.2.7 Inventories

Inventories are stated at the lower of cost or estimated selling price less costs to complete to sell. Cost to determine using the first in first out method. Inventories are assessed for impairment at each reporting date. Impairment loss on inventory is recognized immediately in profit or loss and presented within the "cost of sales".

2.2.8 Current Income Tax

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 Inland Revenue Act No. 24 of 2017 and subsequent amendments thereon.

2.2.9. Deferred Tax

No provision for differed tax has been made

2.2.10 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Share premium includes any premium over par value received on the issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium, net of any related income tax benefits. Retained earnings include all current and prior period retained profits.

2.2.11 Defined Benefit Plan

The Company is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983, according to which a liability to pay gratuity arises only on completion of 5 years of continued service. In order to meet this liability a provision is carried forward in the balance sheet, based on a half month's salary as of the last month of the final year, for all employees for each completed year of service, commencing from the first year of service. The resulting difference between bought forward provision at the beginning of a period and the carried forward provision at the end of the period is detail with in statement of financial activities.

2.2.12 Defined Contribution Plan – Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' provident fund contribution and Employee' Trust Fund contribution in line with respective statutes and regulations. The Company contributes the defined percentage of gross emoluments of employees to an approved Employees' provident Fund and to the Employees' Trust Fund, which are externally funded.

2.2.13 Provisions

A provision is recognized in the statement of financial position when the organization has a legal or constructive obligation as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation, and the obligation can be measured reliably. For certain operational claims reported as provision, it is not practical to disclose detailed information on their corresponding nature and uncertainties. If the effect is material, provisions are demined by discounting the expected future cash flow so as to reflect current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

2.3 Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern, and being satisfied that it has the resources to continue in business for the foreseeable future confirm that they do not intend either to liquidate or to cease operations of the Company.

NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2024	2023
	Rs.	Rs.
3. Revenue		
Exports	2,553,700,309	1,383,267,162
Local sales	251,092,276	221,183,421
	2,804,792,585	1,604,450,584
4. Other Income		
Foreign Exchange Gain / (Loss) -Net	(55,351,727)	112,575,725
Interest Income-Bank Deposits	26,785,677	1,061,507
	(28,566,050)	113,637,231
5. Administration Expenses		
BOI ground Rent	3,090,698	2,078,131
Bonus	1,100,695	724,585
Safety Gear Expenses	583,890	380,294
Audit fees	363,000	330,000
Non-Audit charges	-	27,500
Depreciation	1,583,261	2,123,500
Employees Provident Fund	3,823,317	4,351,431
Employees Trust Fund	955,835	1,067,266
Expatriates Salaries	38,249,137	34,090,544
Gratuity to Employees	1,045,599	3,331,475
Guest House Expenses	3,513,555	3,172,522
Legal Fees	150,600	56,455
Leave Encashment	2,713,367	1,742,197
Postage and courier	72,701	115,851
Printing and stationary	136,930	122,560
Security Expenses	2,683,836	2,548,642
Staff Salaries & incentives	5,514,654	5,541,614
Staff Welfare	1,902,292	999,613
Telephone & Communication	523,266	542,754
Traveling and Conveyance	2,666,940	2,942,243
Foreign Travelling & Work Visa	2,248,571	1,353,803
VAT charges (Disallowed input)	-	409,028
Repair, Maintenance IT equipment	105,139	58,700
Office Expenses	72,872	58,732
Mess Expenses	2,092,294	2,229,456
Inspection Charges, License Fee, Annual fee etc.	2,280,490	1,379,842
Consultancy Fees	1,459,973	1,326,045
Loss on Discarded of Property, Plant & Equipment	134,735	2,163,566
Repair, maintenance-Office, Guest House	49,620	70,138
CSR Expenses	50,200	27,214
Overseas Allowance-Staff	1,443,635	1,929,894
Misc Balances Written off	170,108	-
SSCL Expenses	5,335,711	-
Training Expenses	10,000	-
	86,126,921	77,295,594

Note No.17

Schedule 02



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2024	2023
	Rs.	Rs.
6. Selling & Distribution expenses		
Freight Outward-Domestic	2,033,490	765,000
Insurance Marine and Other	1,020,416	36,439
Misc. export expenses (Destination, demurrage, loading , other exp etc.)	8,486,477	6,522,704
Ocean Freight- Export	8,970,039	134,471
Vehicle maintenance	1,013,750	1,643,292
Insurance - Motor Vehicle	188,567	212,260
Rebate and Quality Claim	120,086	18,409,249
Business Promotional Expenses	6,906,079	4,313,566
Shipping & DO Charges-Export	198,525	-
Inland Haulage Charges-Export	182,439	-
ICD/CFS Chagres-Export	1,557,024	-
	30,676,892	32,036,981
7. Finance Expenses		
Bank commission & Interest for C.C. & L.C.	7,098,496	13,299,059
	7,098,496	13,299,059
8. Income Tax Expenses		
8.1 Major components of income tax expenses are as follows :		
Current tax expenses	93,428,402	78,475,250
	93,428,402	78,475,250
8.2 Numerical Reconciliation between the Tax Expense/(Income) and the Accounting Profit/(Loss).		
Numerical reconciliation between the Tax Expense/(Income) and the product of Accounting Profit/(Loss) multiplied by the applicable tax rate disclosing also the basis on which the applicable tax rate is computed are given bellow.		
Accounting Profit before Taxation	331,483,606	357,487,360
Add: disallowable expenses	20,845,800	16,416,609
	352,329,406	373,903,970
Capital allowance & income from other sources	(40,901,399)	(17,198,287)
Taxable profit for the year	311,428,007	356,705,683
Income Tax Rate	30%	14% & 30%
Income Tax Expense at	93,428,402	78,475,250
Tax Expenses for the year	93,428,402	78,475,250
9. Earnings per share		
9.1 Basic Earnings per Ordinary Share		
The computation of the Basic Earnings/ (Loss) per Ordinary Share has been done based on Net profit/ (Loss) attributable to ordinary shareholders for the year divided by weighted average number of ordinary shares in issue as at the Balance Sheet date and calculated as follows:		
Amounts used as the Numerator	2023/2024	2022/2023
Net Profit/ (Loss) Attributable to Ordinary Shareholders	Rs. 238,055,204	Rs. 279,012,109
Amount used as the Denominator		
Weighted Average Number of Ordinary Shares in Issue	896,344	896,344
Basic Earnings Per Ordinary Share (Rs.)	266	311
Weighted Average Number of Ordinary Shares	Nos.	Nos.
Total as at beginning of the period	896,344	896,344
Share issued During the period	-	-
Total as at end of the period	896,344	896,344
9.2 Dividend Per Share	Rs.	Rs.
Dividend Paid	-	197,195,680
	-	197,195,680
Dividend per Share (Rs.)	-	220

NAVAM LANKA LIMITED

NOTES TO THE ACCOUNTS

As at 31st March 2024

10. Property, Plant & Equipment and Right of Use Assets

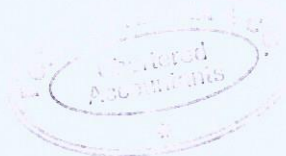
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Description of the Assets	Right of Use Asset	Factory Building	Plant & Machinery	Office Equipment	IT Equipment & Peripherals	Furniture & Fixture	Computer Software	Motor Vehicles	Total PPE
Rate of Depreciation	2%	3.33%	5%	20%	25%	20%	25%	10%	
As at 01.04.2022	5,154,136	68,198,144	86,460,445	4,274,719	277,838	1,136,674	411,505	11,039,292	176,952,753
Additions	-		10,482,676						10,482,676
Deductions	-		(2,906,019)	(13,893)		(7,400)			(2,927,312)
As at 31.03.2023	5,154,136	68,198,144	94,037,102	4,260,826	277,838	1,129,274	411,505	11,039,292	184,508,117
Additions			2,781,750			124,200			2,905,950
Discarded/Disposal			(226,744)			(12,500)			(239,244)
As at 31.03.2024	5,154,136	68,198,144	96,592,110	4,260,826	277,838	1,240,974	411,505	11,039,292	187,174,823
Depreciation & Impairment									
As at 01.04.2022	202,808	31,178,272	30,732,018	2,422,064	197,761	691,663	411,505	6,348,193	72,184,282
Depreciation for the period	89,652	2,270,998	4,392,484	701,680	31,850	134,741	-	1,075,925	8,697,330
Discarded/Disposal	-	-	(749,863)	(6,483)		(7,400)			(763,746)
As at 31.03.2023	292,460	33,449,270	34,374,639	3,117,260	229,610	819,003	411,505	7,424,119	80,117,867
Depreciation for the period	89,652	2,270,998	4,785,778	630,355	30,035	116,545		806,326	8,729,689
Discarded/Disposal			(92,009)			(12,500)			(104,509)
As at 31.03.2024	382,113	35,720,268	39,068,408	3,747,615	259,645	923,048	411,505	8,230,445	88,743,047
Net Book Value									
As at 01.04.2022	4,951,328	37,019,872	55,728,427	1,852,656	80,077	445,011	0	4,691,099	104,768,471
As at 31.03.2023	4,861,675	34,748,874	59,662,463	1,143,566	48,228	310,270	0	3,615,173	104,390,250
As at 31.03.2024	4,772,023	32,477,876	57,523,702	513,211	18,193	317,925	0	2,808,847	98,431,777

NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March

		2024	2023
		Rs.	Rs.
11. Bank Fixed Deposits			
Seylan Bank - FD- 134001550		-	105,000,000
Seylan Bank - FD - MRG23/1277161		31,800,000	-
Seylan Bank - FD - MRG23/1277162		31,800,000	-
Seylan Bank - FD - MRG23/1277163		31,800,000	-
		95,400,000	105,000,000
12. Inventory			
Raw material		2,864,850	6,591,284
Consumables		37,663,215	52,997,992
Work-in-Progress		66,609,995	11,688,924
Finished goods		36,502,785	57,987,853
		143,640,845	129,266,053
13. Trade and other receivables			
Seylan FD - Accrued Interest		17,232,115	1,061,507
Trade Receivable - Domestic		66,079,745	-
Trade Receivable-Group Company-Export		588,797,386	366,167,361
VAT Refund		4,813,487	4,632,571
URFOREX-ST-Current Accounts (FC)		15,946	-
		676,938,679	371,861,439
14. Deposits, prepayment and advances			
Refundable Deposits	Note 14.1	696,500	696,500
Prepaid Expenses- Current		688,960	2,430,944
Prepaid Insurance		317,443	679,263
Advances	Note 14.2	3,109,691	165,035
Pre-paid Ground Rent		2,133,696	-
Provision for Import/Export Expenses		1,494,054	-
		8,440,344	3,971,742
14.1 Refundable Deposits			
Ceylon Electricity Board (Security Deposit)		500,000	500,000
Security Deposit to Vendor		196,500	196,500
		696,500	696,500
14.2 Advances			
Advance paid to suppliers		3,109,691	-
Advance paid to expenses		-	152,592
Advance - Staff Travel		-	12,443
		3,109,691	165,035
15. Cash and Cash at Bank			
State Bank of India- A/c No-251-400456-20005(USD 30,813.47 @ 295.5429)		9,106,702	5,798,800
Seylan Bank - C/A No. 0780-07870418-001 (LKR)		24,447,960	66,027,747
State Bank of India - A/c No. 25140045650001 (LKR)		145,502	5,820,731
Cash in Hand - LKR		142,421	996,531
Petty Cash -INR		8,180	-
Petty Cash -USD		338,594	-
		34,189,360	78,643,809



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March 2023

16. Stated Capital

	As at 31.03.2024 Nos.	As at 31.03.2023 Nos.
Ordinary Shares		
Number of Shares		
Balance as at 01st April	896,344	896,344
Balance as at 31st March	896,344	896,344
Value of Shares (Rs.)	Rs.	Rs.
Balance as at 01st April	89,634,400	89,634,400
Balance as at 31st March	89,634,400	89,634,400
The Ordinary Share holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.		

17. Retained Earnings

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Balance Brought Forward	665,633,900	745,159,390
Dividend Paid	-	(358,537,600)
	665,633,900	386,621,790
Net profit for the year	238,055,204	279,012,110
	903,689,104	665,633,900

18. Retirement benefit obligation

At beginning of the year	14,141,576	12,981,834
Charge for the year	1,045,599	3,331,475
	15,187,175	16,313,309
Paid during the year	(1,528,159)	(2,171,733)
At end of the year	13,659,016	14,141,576

19. Trade and other payables

Trade Creditors	4,872,863	3,180,863
Gravita - Netherland	742,385	2,068,526
Social Security Contribution Levy Payable	1,213,618	91,409
VAT Payable	9,400,944	645,249
	16,229,810	5,986,048

20. Income Tax Payable

Opening Balance	10,084,081	58,941,297
Provision for the year	93,428,402	78,475,250
Income Tax Liability	103,512,483	137,416,547

WHT Paid

(530,753) -

CIT Payments During the Year

2023/2024	11/8/2023	23241	(24,077,634)	-
2023/2024	13/11/2023	23242	(24,077,634)	-
2023/2024	12/2/2024	23243	(24,077,634)	-
2022/2023	10/5/2023	22234	(10,084,080)	(68,391,171)
2021/2022			-	(58,941,295)
			(82,847,735)	(127,332,466)
Income Tax Payable / (Refund)			20,664,748	10,084,081

NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March,

	2024	2023
	Rs.	Rs.
21. Accrued expenses		
Audit fees payable	363,000	330,000
Provision for Bonus	1,039,476	1,009,368
Provision for Administration Expenses	3,702,754	2,574,768
Leave encashment	404,547	1,536,060
Salaries and other Employee Related Payables	7,454,375	2,203,092
Provision for Guest House Expenses	199,775	-
	13,163,927	7,653,288

22. Net Asset per Ordinary Share

Computation of the Net Assets per Ordinary Share has been done based on the total equity attributable to Equity Holders of the Company divided by the number of ordinary shares in issue as at the Balance Sheet date and calculated as follows.

Amounts used as the Numerator

Total equity attributable to Equity Holders of the Company 993,323,504 755,268,300

Amount used as the Denominator

Number of Ordinary Shares in issue as at the Balance Sheet date 896,344 896,344

Net Assets per Ordinary Share (Rs.) **1,108** **843**

23. Related Party Transaction

The company carries out transactions in the ordinary course of its business with parties who are defined as related parties in accordance with Sri Lanka Accounting Standard for SME "Related Party Disclosures", the details of which are listed out below:

Name of Company	Sales	Purchase	Balance Dr.	Balance Cr.
Gravita India Limited - (Parent Company)	2,558,178,220	6,014,085	614,999,600	-
Gravita - Netherland	-	4,217,987	-	742,385

24. Contingent Liabilities and Contingent Assets

Contingent Liabilities

The company does not anticipate any contingent liabilities to arise out of any contingent event as at the balance sheet date.

Contingent Assets

There are no contingent assets as at the balance sheet date.

25. Unrecognized Contractual Commitments

There have been no capital commitments contracted but not provided for, or authorized by the board but not contracted for, or authorized by the board but not contracted for, outstanding as at the date of Financial Position.

26. Events after the Balance Sheet Date

There have been no material events occurred between date of financial position and the date on which the financial statements are authorized for issues that require adjustments to or disclosure in the financial statements.

27. Comparative Information's

Comparative Figures have been re-classified where necessary inline with the presentation requirements for the Current Year.

28. Commitments and Contingencies

There were no commitments and contingencies as the date of Financial Position.

NAVAM LANKA LIMITED
SCHEDULE TO THE ACCOUNTS

For the year ended 31st March

		2024	2023
		Rs.	Rs.
Schedule 01			
Cost of sales			
Raw material			
Inventory - beginning of the year		6,591,284	-
Purchases		2,070,711,153	1,055,804,473
Inventory - end of the year		(2,864,850)	(6,591,284)
		2,074,437,587	1,049,213,189
Direct expenses	Sch.01.(A)	27,284,928	20,947,623
Prime cost		2,101,722,515	1,070,160,812
Factory overheads	Sch.01.(B)	52,376,103	25,462,617
Consumables			
Opening stock		52,997,992	52,471,143
Add : purchase		184,843,228	144,939,115
		237,841,220	197,410,258
Closing stock		(37,663,215)	(52,997,992)
		200,178,005	144,412,266
Works in progress - beginning of the year		11,688,924	22,503,608
Works in progress - end of the year		(66,609,995)	(11,688,924)
Cost of goods manufactured		2,299,355,551	1,250,850,379
Finished goods - beginning of the year		57,987,853	45,106,294
Finished goods - end of the year		(36,502,785)	(57,987,853)
Cost of sales		2,320,840,620	1,237,968,820
Schedule 01 (A)			
Direct expenses			
Labor & wages		27,005,825	20,711,904
Employees Provident Fund		223,283	188,573
Employees Trust Fund		55,820	47,146
		27,284,928	20,947,623
Schedule 01 (B)			
Factory overheads			
Machinery, repairs and maintenance & Factory Repairs		21,544,533	8,296,685
Electricity		20,143,515	7,548,583
Medical Insurance		18,576	21,431
Labor welfare		1,708,865	1,748,892
Depreciation		7,146,428	6,663,483
Insurance - Factory		630,191	781,115
Water, Packing & other expenses		1,183,995	402,428
		52,376,103	25,462,617



NAVAM LANKA LIMITED
SCHEDULE TO THE ACCOUNTS (Contd...)

As at 31st March 2024

Schedule 02

Discarded of Property, Plant & Equipment

Asset Description	Cost	Acc. Depn	Net Book	Sale Proceeds	(Profit) / Loss
Plant & Machinery	226,744	92,009	134,735	-	134,735
Furniture & Fixture	12,500	12,500	-	-	-
	239,244	104,509	134,735	-	134,735

Schedule 03

Name of Shareholders

Names	Country	As at 31.03.2024		As at 31.03.2023	
		No. of Shares	%	No. of Shares	%
1. Mr. Ved Prakash Maheshwari	India	56,066	6.25%	56,066	6.25%
2. Mr. Mukesh Maheshwari	India	56,066	6.25%	56,066	6.25%
3. Mrs. Sunita Maheshwari	India	22,440	2.50%	22,440	2.50%
4. Mrs. Pushpa Devi Somani	India	56,066	6.25%	56,066	6.25%
5. Mr. Mahesh Somani	India	33,619	3.75%	33,619	3.75%
6. Gravita Netherlands B.V	Netherlands	466,062	52.00%	466,062	52.00%
7. Mittal Pigments Pvt Ltd	India	206,025	22.99%	206,025	22.99%
		896,344	100.00%	896,344	100.00%

Name and address : Navam Lanka Limited
Plot No.27A, MEPZ,
Mirigama.

File No. : 134008717

Nature of business : Export of ferrous and non-ferrous metal scraps

Constitution : Limited Liability Company.

Accounting period : 1st April 2023 to 31st March 2024

Year of assessment : **2023/2024**

	Rs.	Rs.
Net Profit as per Accounts		331,483,606
Add: disallowable expenses		
Gratuity provision	1,045,599	
Depreciation	8,729,689	
Legal fees	150,600	
Misc Balances Written off	170,108	
Loss on disposal of assets	134,735	
Interest Income-Bank Deposits (Cash Basis)	10,615,068	20,845,800
		352,329,406

Less: Capital allowance & income from other sources

Interest Income-Bank Deposits (Accrual Basis)	26,785,677	
Unrealized Foreign Exchange Gain/(Loss) -Net	1,553,922	
Gratuity Paid	1,528,159	
Capital allowance	11,033,641	
Taxable Loss on Disposals	-	(40,901,399)
Taxable profit for the year		311,428,007

Income Tax 311,428,007 @ 30% 93,428,402

Tax Credits

AIT Paid - Seylan Bank FD (530,753)

CIT Paid

Date	Cheque No.	Period	Amount
11/8/2023	664833	23241	24,077,634
13/11/2023	676117	23242	24,077,634
12/2/2024	136040	23243	24,077,634
			(72,232,902)
Balance Tax Payable			20,664,747

Name and address : Navam Lanka Limited
Plot No.27A, MEPZ,
Mirigama.

File No. : 134008717

Nature of business : Export of ferrous and non-ferrous metal scraps

Constitution : Limited Liability Company.

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Year of assessment : **2023/2024**

	Rs.	Rs.
Net Profit as per Accounts		331,483,606
Add: disallowable expenses		
Gratuity provision	1,045,599	
Depreciation	8,729,689	
Legal fees	150,600	
Misc Balances Written off	170,108	
Loss on disposal of assets	134,735	
Interest Income-Bank Deposits (Cash Basis)	10,615,068	20,845,800
		352,329,406

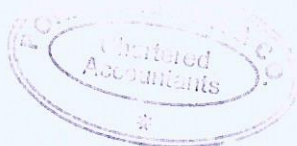
Less: Capital allowance & income from other sources		
Interest Income-Bank Deposits (Accrual Basis)	26,785,677	
Unrealized Foreign Exchange Gain/(Loss) -Net	1,553,922	
Gratuity Paid	1,528,159	
Capital allowance	11,033,641	
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Tax Credits
AIT Paid - Seylan Bank FD (530,753)

CIT Paid

Date	Cheque No.	Period	Amount	
11/8/2023	664833	23241	24,077,634	
13/11/2023	676117	23242	24,077,634	
12/2/2024	136040	23243	24,077,634	(72,232,902)
Balance Tax Payable				20,664,747



NAVAM LANKA LIMITED
ANNEXURE TO THE TAX COMPUTATION
YEAR OF ASSESSMENT 2023/2024

Annexure 01

Capital allowances

Assets	Rate	Cost	Unexpired Beginning	Allowance Claimed	Unexpired Ending
2023/2024					
Plant & Machinery	20%	2,781,750	2,781,750	556,350	2,225,400
Furniture & Fixture	20%	124,200	124,200	24,840	99,360
		2,905,950	2,905,950	581,190	2,324,760
2022/2023					
Plant & Machinery	20%	10,482,676	8,386,141	2,096,535	6,289,606
		10,482,676	8,386,141	2,096,535	6,289,606
2021/2022					
Building & Factory	5%	18,289,019	16,460,117	914,451	15,545,666
Plant & Machinery	20%	7,400,206	4,440,124	1,480,041	2,960,083
Office Equipment	20%	257,284	154,370	51,457	102,914
Furniture & Fixture	20%	311,284	186,770	62,257	124,514
IT Equipment & Peripherals	20%	5,500	3,300	1,100	2,200
		26,263,293	21,244,682	2,509,306	18,735,376
2020/2021					
Office Equipment	20%	149,430	59,772	29,886	29,886
Plant & Machinery	20%	112,734	57,720	11,544	46,176
IT Equipment & Peripherals	20%	84,998	33,999	17,000	17,000
		347,162	151,491	58,430	93,061
2019/2020					
Building & Factory	5%	1,476,065	1,180,851	73,803	1,107,048
Plant & Machinery	20%	24,697,679	4,939,536	4,939,536	(0)
Office Equipment	20%	2,722,166	544,434	544,433	0
IT Equipment & Peripherals	20%	36,900	7,380	7,380	-
Furniture & Fixture	20%	221,464	44,293	44,293	(0)
		29,154,273	6,716,493	5,609,445	1,107,048
2015/2016					
Factory Building	6.67%	1,687,829	900,175	112,522	787,653
		1,687,829	900,175	112,522	787,653
2009/2010					
Building	6.67%	712,558	95,007	47,504	47,503
Factory boundary wall	6.67%	26,772	3,558	1,786	1,772
		739,330	98,565	49,290	49,275
2008/2009					
PVC separator washing shed	6.67%	123,541	8,729	8,240	489
		123,541	8,729	8,240	489
2007/2008					
Factory Boundary wall - New	6.67%	84,646	1,061	1,061	0
Slag Shed	6.67%	607,333	7,623	7,623	(0)
		691,979	8,684	8,684	0
TOTAL		72,396,033	40,420,910	11,033,641	29,387,269

