

**NAVAM LANKA LIMITED**  
**FINANCIAL STATEMENTS**  
**31<sup>ST</sup> MARCH 2025**

**PONNAMPERUMA & Co.**  
**(Chartered Accountants),**  
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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, 2025 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, 2025 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.

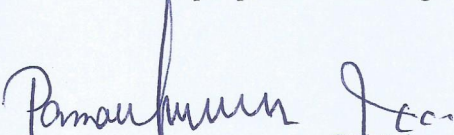
A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at <http://slaasc.lk/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

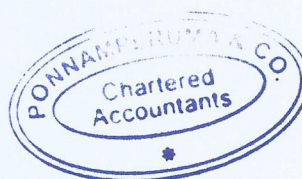
### **Report on Other Legal and Regulatory Requirements**

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 18, 2025





NAVAM LANKA LIMITED

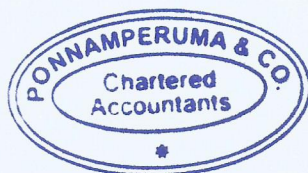
STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31st March*

	Note	2025 Rs.	2024 Rs.
Revenue	3	2,327,890,077	2,804,792,585
Cost of Sales		(2,062,701,464)	(2,320,840,620)
<b>Gross profit</b>		<b>265,188,613</b>	<b>483,951,965</b>
Other Income	4	(9,878,696)	(28,566,050)
		<b>255,309,917</b>	<b>455,385,915</b>
Administration Expenses	5	(94,640,991)	(86,126,921)
Selling & Distribution expenses	6	(54,580,493)	(30,676,892)
Finance Expenses	7	(1,173,571)	(7,098,496)
<b>Profit Before Taxation</b>		<b>104,914,862</b>	<b>331,483,606</b>
Income Tax Expenses	8	(37,147,403)	(93,428,402)
<b>Net Profit for the year from Continuing Operations</b>		<b>67,767,460</b>	<b>238,055,204</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income / (Expense) for the year</b>		<b>67,767,460</b>	<b>238,055,204</b>
<b>Earnings Per Share (Rs.)</b>	9.1	<b>85</b>	<b>266</b>
<b>Dividend Per Share (Rs.)</b>	9.2	<b>-</b>	<b>-</b>

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,

		2025	2024
	Note	Rs.	Rs.
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	10	92,340,768	98,431,777
Bank Fixed Deposits - Seylan Bank Plc	11	-	95,400,000
		<u>92,340,768</u>	<u>193,831,777</u>
<b>Current Assets</b>			
Inventories	12	201,581,323	143,640,845
Trade and Other Receivables	13	29,778,152	676,938,679
Deposit, Prepayments and Advances	14	3,222,424	8,440,344
Cash & Cash Equivalent	15	70,882,183	34,189,360
		<u>305,464,082</u>	<u>863,209,228</u>
<b>Total Assets</b>		<u>397,804,850</u>	<u>1,057,041,005</u>
<b>Equity and Liabilities</b>			
Stated Capital	16	89,634,400	89,634,400
Retained Earnings	17	162,772,414	903,689,104
		<u>252,406,814</u>	<u>993,323,504</u>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Retirement Benefit Obligations	18	16,496,679	13,659,016
		<u>16,496,679</u>	<u>13,659,016</u>
<b>Current Liabilities</b>			
Trade and Other Payables	19	133,558,783	16,229,810
Income Tax Payable	20	(26,948,960)	20,664,748
Accrued Expenses	21	22,291,534	13,163,927
		<u>128,901,357</u>	<u>50,058,485</u>
<b>Total equity and liabilities</b>		<u>397,804,850</u>	<u>1,057,041,005</u>
<b>Net Assets per Share</b>	22	317	1,108

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 No. 07 of 2007

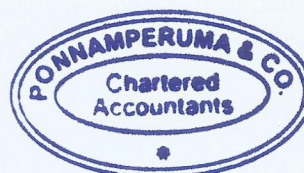
.....  
(Head of Finance)

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

.....  
(Director)

18th April 2025

.....  
(Director)





NAVAM LANKA LIMITED

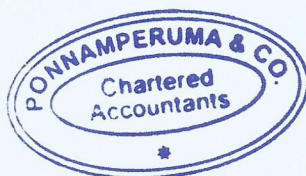
STATEMENT OF CHANGES IN EQUITY

*For the year ended 31st March 2025*

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
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
<b>Balance as at 31st March 2024</b>	<b>89,634,400</b>	<b>903,689,104</b>	<b>993,323,504</b>
Balance as at 01st April 2024	89,634,400	903,689,104	993,323,504
Shares buy-back	-	(808,684,149)	(808,684,149)
Profit for the year	-	67,767,460	67,767,460
<b>Balance as at 31st March 2025</b>	<b>89,634,400</b>	<b>162,772,414</b>	<b>252,406,814</b>

Figures in brackets indicate deductions.

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



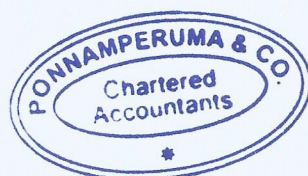


NAVAM LANKA LIMITED  
STATEMENT OF CASH FLOW

For the year ended 31st March

	2025 Rs.	2024 Rs.
<b>Cash flow from operating activities</b>		
Net profit before taxation	104,914,862	331,483,606
<i>Adjustment for,</i>		
Depreciation	8,629,217	8,729,689
Loss on Disposal of Property, plant & equipment	2,204,645	134,735
Gratuity provision	2,837,663	1,045,599
Interest expenses	1,173,571	7,098,496
<b>Operating profit before working capital changes</b>	<b>119,759,957</b>	<b>348,492,125</b>
(Increase) /decrease in inventories	(57,940,477)	(14,374,793)
(Increase) /decrease in trade and other receivables	647,160,526	(305,077,240)
(Increase) /decrease in deposits and prepayments	5,217,920	(4,468,602)
Increase /(decrease) in trade and other payables	126,456,581	15,754,401
<b>Cash flow generated from operations</b>	<b>840,654,507</b>	<b>40,325,891</b>
Tax paid	(84,761,111)	(82,847,735)
Interest paid	(1,173,571)	(7,098,496)
Gratuity Paid	-	(1,528,159)
<b>Net cash flow from operating activities</b>	<b>754,719,825</b>	<b>(51,148,499)</b>
<b>Cash flow from Investing activities</b>		
Acquisition of property, plant and equipment	(4,742,852)	(2,905,950)
Uplift / (Invest) in Fixed deposits	95,400,000	9,600,000
<b>Net cash used in investing activities</b>	<b>90,657,148</b>	<b>6,694,050</b>
<b>Cash flow from Financing activities</b>		
Share Repurchase	(808,684,149)	-
<b>Net cash used in financing activities</b>	<b>(808,684,149)</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>36,692,823</b>	<b>(44,454,449)</b>
Cash and Cash Equivalents at Beginning of the Year	34,189,360	78,643,809
<b>Cash and Cash Equivalents at End of the Year</b>	<b>70,882,183</b>	<b>34,189,360</b>
<b>At the End</b>		
Cash at Bank	69,870,409	33,700,165
Cash in hand	1,011,774	489,195
	<b>70,882,183</b>	<b>34,189,360</b>

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 31<sup>st</sup> March 2025.**

**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 18<sup>th</sup> April 2025.

**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 31<sup>st</sup> March 2025 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**

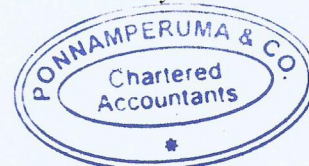
**A) Sales of Goods**

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 31<sup>st</sup> March 2025.

#### 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.





NOTES TO THE ACCOUNTS (Contd....)

For The Year Ended 31<sup>st</sup> March 2025.

**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**

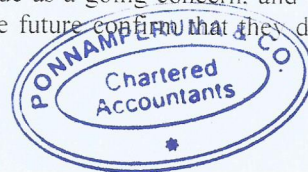
Employees are eligible for Employees' provident fund contribution and Employee' Trust Fund contribution in line with respective statutes and regulations. The Company contributes the defined percentage of gross emoluments of employees to an approved Employees' provident Fund and to the Employees' Trust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





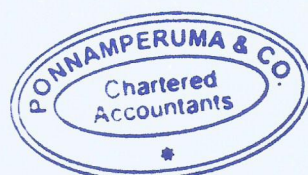
NAVAM LANKA LIMITED  
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2025	2024
	Rs.	Rs.
<b>3. Revenue</b>		
Exports	2,219,132,276	2,553,700,309
Local sales	108,757,801	251,092,276
	<b>2,327,890,077</b>	<b>2,804,792,585</b>
<b>4. Other Income</b>		
Foreign Exchange Gain / (Loss) -Net	(18,021,635)	(55,351,727)
Interest Income-Bank Deposits (FC)	4,347,780	-
Interest Income-Bank Deposits (LKR)	3,795,160	26,785,677
	<b>(9,878,696)</b>	<b>(28,566,050)</b>
<b>5. Administration Expenses</b>		
BOI ground Rent	2,831,566	3,090,698
Bonus	1,316,961	1,100,695
Safety Gear Expenses	620,816	583,890
Audit fees	399,300	363,000
Non-Audit charges	32,500	-
Depreciation	1,363,840	1,583,261
Employees Provident Fund	3,804,981	3,823,317
Employees Trust Fund	951,249	955,835
EPF Ex rate diff provision till feb 22	5,880,621	-
ETF Ex rate diff provision till feb 22	835,104	-
Expatriates Salaries	35,447,860	38,249,137
Gratuity to Employees	2,837,663	1,045,599
Guest House Expenses	3,602,801	3,513,555
Legal Fees	311,197	150,600
Leave Encashment	2,540,101	2,713,367
Postage and courier	30,910	72,701
Printing and stationary	194,360	136,930
Security Expenses	3,088,337	2,683,836
Staff Salaries & incentives	10,640,397	5,514,654
Staff Welfare	1,201,746	1,902,292
Telephone & Communication	583,065	523,266
Traveling and Conveyance	3,119,638	2,666,940
Foreign Travelling & Work Visa	1,372,910	2,248,571
Repair, Maintenance IT equipment	92,630	105,139
Office Expenses	40,502	72,872
Mess Expenses	2,132,572	2,092,294
Inspection Charges, License Fee, Annual fee etc.	2,181,658	2,280,490
Consultancy Fees	2,326,469	1,459,973
Loss on Discarded of Property, Plant & Equipment	2,204,645	134,735
Repair, maintenance-Office, Guest House	68,050	49,620
CSR Expenses	107,334	50,200
Overseas Allowance-Staff	-	1,443,635
Misc. Balances Written off	(743,717)	170,108
Disallowed VAT refund	3,222,925	-
SSCL Expenses	-	5,335,711
Training Expenses	-	10,000
	<b>94,640,991</b>	<b>86,126,921</b>

Note No.18

Schedule 02

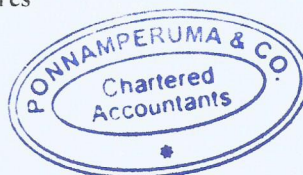




NAVAM LANKA LIMITED  
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2025	2024
	Rs.	Rs.
<b>6. Selling &amp; Distribution expenses</b>		
Freight Outward-Domestic	564,878	2,033,490
Insurance Marine and Other	886,138	1,020,416
Misc. export expenses ( Destination, demurrage, loading , other exp etc.)	7,942,930	8,486,477
Ocean Freight- Export	7,731,972	8,970,039
Vehicle maintenance	901,097	1,013,750
Insurance - Motor Vehicle	206,200	188,567
Rebate and Quality Claim	25,567,519	120,086
Shipping & DO Charges-Export	3,007,333	198,525
Inland Haulage Charges-Export	162,892	182,439
ICD/CFS Charges-Export	1,349,008	1,557,024
Business Promotional Expenses	6,260,525	6,906,079
	<b>54,580,493</b>	<b>30,676,892</b>
<b>7. Finance Expenses</b>		
Bank commission & Interest for C.C. & L.C.	1,173,571	7,098,496
	<b>1,173,571</b>	<b>7,098,496</b>
<b>8. Income Tax Expenses</b>		
<b>8.1 Major components of income tax expenses are as follows :</b>		
Current tax expenses	37,147,403	93,428,402
	<b>37,147,403</b>	<b>93,428,402</b>
<b>8.2 Numerical Reconciliation between the Tax Expense/(Income) and the Accounting Profit/(Loss).</b>		
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	104,914,862	331,483,606
Add: disallowable expenses	32,912,685	20,845,800
	137,827,547	352,329,407
Capital allowance & income from other sources	(14,002,872)	(40,901,399)
<b>Taxable profit for the year</b>	<b>123,824,675</b>	<b>311,428,008</b>
<b>Income Tax Rate</b>	<b>30%</b>	<b>30%</b>
Income Tax Expense at	37,147,403	93,428,402
<b>Tax Expenses for the year</b>	<b>37,147,403</b>	<b>93,428,402</b>
<b>9. Earnings per share</b>		
<b>9.1 Earnings per Ordinary Share</b>		
The computation of the 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:		
	<b>2024/2025</b>	<b>2023/2024</b>
<b>Amounts used as the Numerator</b>	<b>Rs.</b>	<b>Rs.</b>
Net Profit/ (Loss) Attributable to Ordinary Shareholders	67,767,460	238,055,204
<b>Amount used as the Denominator</b>		
Weighted Average Number of Ordinary Shares in Issue	795,295	896,344
<b>Earnings Per Ordinary Share (Rs.)</b>	<b>85</b>	<b>266</b>
<b>Weighted Average Number of Ordinary Shares</b>	<b>Nos.</b>	<b>Nos.</b>
Total as at beginning of the period	896,344	896,344
Effect of Shares buyback	(229,087)	-
<b>Ordinary Shares after the Share buyback</b>	<b>667,257</b>	<b>896,344</b>
Ordinary Shares at the beginning of the year	896,344	896,344
Weighted impact of Share buyback (161 days)	(101,049)	-
<b>Weighted Average number of ordinary shares</b>	<b>795,295</b>	<b>896,344</b>
<b>9.2 Dividend Per Share</b>	<b>Rs.</b>	<b>Rs.</b>
Dividend Paid	-	-
<b>Dividend per Share (Rs.)</b>	<b>-</b>	<b>-</b>





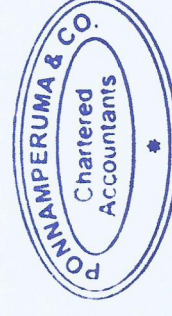
## NOTES TO THE ACCOUNTS

As at 31st March 2025

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

"LKR"

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 01.04.2023	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
Deductions	-		(226,744)			(12,500)			(239,244)
As at 31.03.2024	5,154,136	68,198,144	96,592,108	4,260,826	277,838	1,240,974	411,505	11,039,292	187,174,823
Additions			4,478,554	214,553	49,745				4,742,852
Discarded/Disposal			(3,422,663)			(110,001)			(3,532,664)
As at 31.03.2025	5,154,136	68,198,144	97,648,000	4,475,379	327,583	1,130,973	411,505	11,039,292	188,385,011
Depreciation & Impairment									
As at 01.04.2023	292,460	33,449,270	34,374,639	3,117,260	229,610	819,003	411,505	7,424,119	80,117,866
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	382,112	35,720,268	39,068,408	3,747,615	259,645	923,048	411,505	8,230,445	88,743,046
Depreciation for the period	89,652	2,270,998	4,904,726	425,866	25,809	112,655	-	799,510	8,629,217
Discarded/Disposal			(1,218,999)			(109,020)			(1,328,019)
As at 31.03.2025	471,764	37,991,266	42,754,135	4,173,481	285,454	926,683	411,505	9,029,955	96,044,243
Net Book Value									
As at 01.04.2023	4,861,676	34,748,874	59,662,463	1,143,566	48,228	310,271	-	3,615,173	104,390,251
As at 31.03.2024	4,772,024	32,477,876	57,523,700	513,211	18,193	317,926	-	2,808,847	98,431,777
As at 31.03.2025	4,682,372	30,206,878	54,893,865	301,898	42,129	204,290	-	2,009,337	92,340,768

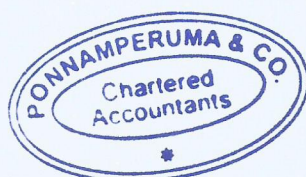




NAVAM LANKA LIMITED  
NOTES TO THE ACCOUNTS

As at 31st March

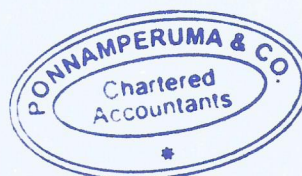
	2025	2024
	Rs.	Rs.
<b>11. Bank Fixed Deposits</b>		
Seylan Bank - Fixed Deposits	-	95,400,000
	<u>-</u>	<u>95,400,000</u>
<b>12. Inventory</b>		
Raw material	2,907,490	2,864,850
Consumables	64,326,702	37,663,215
Work-in-Progress	100,688,783	66,609,995
Finished goods	33,658,348	36,502,785
	<u>201,581,323</u>	<u>143,640,845</u>
<b>13. Trade and other receivables</b>		
Seylan FD - Accrued Interest	-	17,232,115
Trade Receivable - Domestic	127,582	66,079,745
Trade Receivable-Group Company-Export	23,743,851	588,797,386
VAT Refund	4,699,711	4,813,487
Input VAT claimable	1,207,008	15,946
	<u>29,778,152</u>	<u>676,938,679</u>
<b>14. Deposits, prepayment and advances</b>		
Refundable Deposits	Note 14.1	696,500
Prepaid Expenses- Current	85,349	688,960
Prepaid Insurance	303,501	317,443
Advance paid to suppliers	-	3,109,691
Pre-paid Ground Rent	2,137,075	2,133,696
Provision for Import/Export Expenses	-	1,494,054
	<u>3,222,424</u>	<u>8,440,344</u>
<b>14.1 Refundable Deposits</b>		
Ceylon Electricity Board (Security Deposit)	500,000	500,000
Security Deposit to Vendor	196,500	196,500
	<u>696,500</u>	<u>696,500</u>
<b>15. Cash and Cash at Bank</b>		
State Bank of India- A/c No-251-400456-20005(USD)	57,828,814	9,106,702
Seylan Bank - C/A No. 0780-07870418-001 (LKR)	11,483,196	24,447,960
State Bank of India - A/c No. 25140045650001 (LKR)	558,399	145,502
Cash in Hand - LKR	771,141	142,421
Petty Cash -INR	8,439	8,180
Petty Cash -USD	232,193	338,594
	<u>70,882,183</u>	<u>34,189,360</u>





NAVAM LANKA LIMITED  
NOTES TO THE ACCOUNTS

<i>As at 31st March,</i>		2025	2024
<b>16. Stated Capital</b>			
<b>Ordinary Shares</b>		<b>Nos.</b>	<b>Nos.</b>
Balance as at 01st April		896,344	896,344
Shares Repurchase		(229,087)	-
<b>Balance as at 31st March</b>		<b>667,257</b>	<b>896,344</b>
<b>Value of Shares (Rs.)</b>		<b>Rs.</b>	<b>Rs.</b>
Balance as at 01st April		89,634,400	89,634,400
Balance as at 31st March		<b>89,634,400</b>	<b>89,634,400</b>
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.			
<b>16.1 Share Repurchase</b>			
Pursuant to the Share Repurchase Offer made by the Company to its shareholders in October 2024, the Company repurchased 229,087 ordinary shares at Rs: 3,3530/- per share at a total consideration of Rs. 808,677,110/-. The said shares so repurchased were canceled with effect from 21st October 2024. Consequently, the number of shares representing the Stated Capital of the Company was reduced from 896,344 to 667,257 with effect from 21st October 2024 and to the single shareholder for the Company.			
<b>17. Retained Earnings</b>		<b>As at 31.03.2025</b>	<b>As at 31.03.2024</b>
		<b>Rs.</b>	<b>Rs.</b>
Balance Brought Forward		903,689,104	665,633,900
Shares Buy-back		(808,684,149)	-
Net profit for the year		67,767,460	238,055,204
		<b>162,772,414</b>	<b>903,689,104</b>
<b>18. Retirement benefit obligation</b>			
At beginning of the year		13,659,016	14,141,576
Charge for the year		2,837,663	1,045,599
		16,496,679	15,187,175
Paid during the year		-	(1,528,159)
At end of the year		<b>16,496,679</b>	<b>13,659,016</b>
<b>19. Trade and other payables</b>			
Trade Creditors		-	4,872,863
Gravita - Netherland		9,026,986	742,385
Social Security Contribution Levy Payable		130,163	1,213,618
VAT Payable		1,102,571	9,400,944
WHT Payable		5,166	-
Advance from Customer-Group company-Export		123,293,898	-
		<b>133,558,783</b>	<b>16,229,810</b>
<b>20. Income Tax Payable</b>			
Opening Balance		20,664,748	10,084,081
Provision for the year		37,147,403	93,428,402
<b>Income Tax Liability</b>		<b>57,812,151</b>	<b>103,512,483</b>
<b>Less: Credits</b>			
WHT Paid		(1,051,364)	(530,753)
<b>CIT Payments During the Year</b>			
2022/2023		-	(10,084,080)
2023/2024		(20,664,747)	(72,232,902)
2024/2025		(63,045,000)	-
		<b>(84,761,111)</b>	<b>(82,847,735)</b>
<b>Income Tax Payable / (Refund)</b>		<b>(26,948,960)</b>	<b>20,664,748</b>





NAVAM LANKA LIMITED  
NOTES TO THE ACCOUNTS

As at 31st March,

	2025	2024
	Rs.	Rs.
<b>21. Accrued expenses</b>		
Audit fees payable	399,300	363,000
Provision for Bonus	1,044,205	1,039,476
Provision for Administration Expenses	1,866,665	3,702,754
Leave encashment	1,395,196	404,547
Salaries and other Employee Related Payables	10,677,469	7,454,375
ETF & EPF Ex rate diff provision till feb 22	6,715,725	-
Provision for Guest House Expenses	192,975	199,775
	<b>22,291,534</b>	<b>13,163,927</b>

**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 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 252,406,814 993,323,504

**Amount used as the Denominator**

Number of Ordinary Shares in issue as at the Balance Sheet date 795,295 896,344

**Net Assets per Ordinary Share (Rs.)** **317** **1,108**

**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 of 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)	2,219,132,276	15,481,258	23,743,851	123,293,898
Gravita - Netherland	-	-	-	9,026,986

**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**

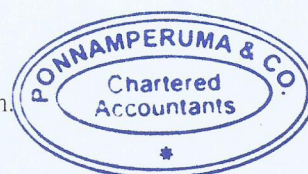
There have been no material events occurred between date of financial position and the date on which the financial statements are authorized for issues that require adjustments to or disclosure in the financial statements

**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

		2025	2024
		Rs.	Rs.
<b>Schedule 01</b>			
<b>Cost of sales</b>			
<b>Raw material</b>			
Inventory - beginning of the year		2,864,850	6,591,284
Purchases		1,845,797,128	2,070,711,153
Inventory - end of the year		(2,907,490)	(2,864,850)
		<b>1,845,754,488</b>	<b>2,074,437,587</b>
Direct expenses	Sch.01.(A)	31,049,685	27,284,928
<b>Prime cost</b>		<b>1,876,804,173</b>	<b>2,101,722,515</b>
Factory overheads	Sch.01.(B)	46,275,959	52,376,103
<b>Consumables</b>			
Opening stock		37,663,215	52,997,992
Add : purchase		197,519,170	184,843,228
		<b>235,182,385</b>	<b>237,841,220</b>
Closing stock		(64,326,702)	(37,663,215)
		<b>170,855,683</b>	<b>200,178,005</b>
Works in progress - beginning of the year		66,609,995	11,688,924
Works in progress - end of the year		(100,688,783)	(66,609,995)
<b>Cost of goods manufactured</b>		<b>2,059,857,027</b>	<b>2,299,355,551</b>
Finished goods - beginning of the year		36,502,785	57,987,853
Finished goods - end of the year		(33,658,348)	(36,502,785)
<b>Cost of sales</b>		<b>2,062,701,464</b>	<b>2,320,840,620</b>

**Schedule 01 (A)**

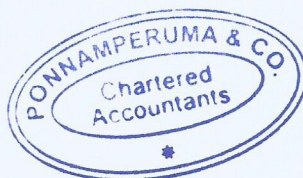
**Direct expenses**

Labor & wages	30,742,493	20,711,904
Employees Provident Fund	245,752	188,573
Employees Trust Fund	61,440	47,146
	<b>31,049,685</b>	<b>20,947,623</b>

**Schedule 01 (B)**

**Factory overheads**

Machinery, repairs and maintenance & Factory Repairs	21,784,998	8,296,685
Electricity	13,752,943	7,548,583
Medical Insurance	19,160	21,431
Labor welfare	1,667,687	1,748,892
Depreciation	7,265,377	6,663,483
Insurance - Factory	558,060	781,115
Water, Packing & other expenses	1,227,734	402,428
	<b>46,275,959</b>	<b>25,462,617</b>





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

As at 31st March 2025

**Schedule 02**

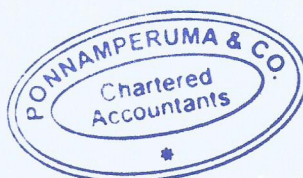
**Discarded of Property, Plant & Equipment**

Asset Description	Cost	Acc. Depn	Net Book	Sale Proceeds	(Profit) / Loss
Plant & Machinery	3,422,663	1,218,999	2,203,664	-	2,203,664
Furniture & Fixture	110,001	109,020	981	-	981
	<b>3,532,664</b>	<b>1,328,019</b>	<b>2,204,645</b>	<b>-</b>	<b>2,204,645</b>

**Schedule 03**

**Name of Shareholders**

Names	Country	As at 31.03.2025		As at 31.03.2024	
		No. of Shares	%	No. of Shares	%
1. Mr. Ved Prakash Maheshwari	India	-	0.00%	56,066	6.25%
2. Mr. Mukesh Maheshwari	India	-	0.00%	56,066	6.25%
3. Mrs. Sunita Maheshwari	India	-	0.00%	22,440	2.50%
4. Mrs. Pushpa Devi Somani	India	-	0.00%	56,066	6.25%
5. Mr. Mahesh Somani	India	-	0.00%	33,619	3.75%
6. Gravita Netherlands B.V	Netherlands	667,257	100.00%	466,062	52.00%
7. Mittal Pigments Pvt Ltd	India	-	0.00%	206,025	22.99%
		<b>667,257</b>	<b>100.00%</b>	<b>896,344</b>	<b>100.00%</b>







# **PONNAMPERUMA & CO.** Chartered Accountants

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 2024 to 31st March 2025

Year of assessment : **2024/2025**

	Rs.	Rs.
Net Profit as per Accounts		104,914.862
<b>Add: disallowable expenses</b>		
Gratuity provision	2,837,663	
Depreciation	8,629,217	
Legal fees	311,197	
CSR Expenses	107,334	
Interest Income-Bank Deposits -LKR (Cash Basis)	21,027,275	32,912.685
		<b>137,827,547</b>

## **Less: Capital allowance & income from other sources**

Interest Income-Bank Deposits (Accrual Basis)	3,795,160	
Interest Income-Bank Deposits (FC)	4,347,780	
Gratuity Paid	-	
Capital allowance	Annexure 1	5,859,932
Taxable Loss on Disposals	-	(14,002.872)
<b>Taxable profit for the year</b>		<b>123,824,675</b>

**Income Tax** 123,824,675 @ 30% 37,147,403

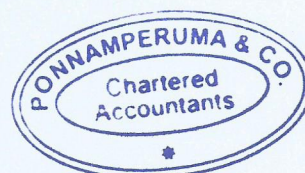
## **Tax Credits**

AIT Paid - Seylan Bank FD (1,051,364)

## **CIT Paid**

Date	Period	Amount	
2/15/2025	24253	21,015,000	
11/15/2024	24252	21,015,000	
8/13/2024	24251	21,015,000	(63,045,000)

**Balance Tax Payable** (26,948,961)





NAVAM LANKA LIMITED  
ANNEXURE TO THE TAX COMPUTATION  
YEAR OF ASSESSMENT 2024/2025

**Annexure 01**

**Capital allowances**

Assets	Rate	Cost	Unexpired Beginning	Allowance Claimed	Unexpired Ending
<b><u>2024/2025</u></b>					
Plant & Machinery	20%	4,478,554	4,478,554	895,711	3,582,843
Office Equipment	20%	214,553	214,553	42,911	171,643
IT Equipment & Peripherals	20%	49,745	49,745	9,949	39,796
		<b>4,742,852</b>	<b>4,742,852</b>	<b>948,570</b>	<b>3,794,282</b>
<b><u>2023/2024</u></b>					
Plant & Machinery	20%	2,781,750	2,225,400	556,350	1,669,050
Furniture & Fixture	20%	124,200	99,360	24,840	74,520
		<b>2,905,950</b>	<b>2,324,760</b>	<b>581,190</b>	<b>1,743,570</b>
<b><u>2022/2023</u></b>					
Plant & Machinery	20%	10,482,676	6,289,606	2,096,535	4,193,070
		<b>10,482,676</b>	<b>6,289,606</b>	<b>2,096,535</b>	<b>4,193,070</b>
<b><u>2021/2022</u></b>					
Building & Factory	5%	18,289,019	15,545,666	914,451	14,631,215
Plant & Machinery	20%	7,400,206	2,960,083	1,480,041	1,480,041
Office Equipment	20%	257,284	102,914	51,457	51,457
Furniture & Fixture	20%	311,284	124,514	62,257	62,257
IT Equipment & Peripherals	20%	5,500	2,200	1,100	1,100
		<b>26,263,293</b>	<b>18,735,376</b>	<b>2,509,306</b>	<b>16,226,070</b>
<b><u>2020/2021</u></b>					
Office Equipment	20%	149,430	29,886	29,886	-
Plant & Machinery	20%	112,734	22,547	22,547	-
IT Equipment & Peripherals	20%	84,998	17,000	17,000	-
		<b>347,162</b>	<b>69,432</b>	<b>69,432</b>	<b>-</b>
<b><u>2019/2020</u></b>					
Building & Factory	5%	1,476,065	1,107,048	73,803	1,033,245
		<b>1,476,065</b>	<b>1,107,048</b>	<b>73,803</b>	<b>1,033,245</b>
<b><u>2015/2016</u></b>					
Factory Building	6.67%	1,687,829	787,653	112,522	675,131
		<b>1,687,829</b>	<b>787,653</b>	<b>112,522</b>	<b>675,131</b>
<b><u>2009/2010</u></b>					
Building	6.67%	712,558	47,503	47,503	0
Factory boundary wall	6.67%	26,772	1,772	1,772	0
		<b>739,330</b>	<b>49,275</b>	<b>49,275</b>	<b>(0)</b>
<b><u>2008/2009</u></b>					
PVC separator washing shed	6.67%	123,541	489	489	(0)
		<b>123,541</b>	<b>489</b>	<b>489</b>	<b>(0)</b>
<b>TOTAL</b>		<b>45,862,747</b>	<b>31,781,731</b>	<b>5,859,932</b>	<b>25,921,798</b>

