NAVAM LANKA LIMITED

FINANCIAL STATEMENTS

31ST MARCH 2022

PONNAMPERUMA & Co.
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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, 2022, 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, 2022, 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.

PONNAMPERUMA & CO.
Chartered Accountants

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

PONNAMPERUMA & Co.
Chartered Accountants
Colombo.
May 11, 2022

PONNAMPERUMA & CO.
Chartered Accountants

NAVAM LANKA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Note	2022 Rs.	2021 Rs.
Revenue	3	1,929,692,149	1,388,007,333
Cost of Sales		(1,278,231,529)	(1,062,699,962)
Gross profit		**651,460,620**	**325,307,371**
Other Income	4	98,581,371	787,024
		750,041,991	**326,094,395**
Administration Expenses	5	(52,067,484)	(50,471,916)
Selling & Distribution expenses	6	(68,212,045)	(6,204,338)
Finance Expenses	7	(9,069,169)	(8,121,984)
Profit Before Taxation		**620,693,292**	**261,296,157**
Income Tax Expenses	8	(87,291,295)	(37,788,685)
Net Profit for the year from Continuing Operations		**533,401,997**	**223,507,472**
Other Comprehensive Income		-	-
Total Comprehensive Income / (Expense) for the year		**533,401,997**	**223,507,472**
Basic Earnings/(Loss) Per Ordinary Share (Rs.)	**9.1**	**595.09**	**250.42**
Dividend Per Ordinary Share (Rs.)	**9.2**	**220.00**	-

Figures in brackets indicate deductions.

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

PONNAMPERUMA & CO. Chartered Accountants

NAVAM LANKA LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,	Note	2022 Rs.	2021 Rs.
Assets			
Non-Current Assets			
Property, Plant & Equipment and Right of Use Assets	10	104,768,471	88,587,825
Capital Work-in-Progress		-	13,743,583
		104,768,471	**102,331,408**
Current Assets			
Inventories	11	120,081,045	170,695,242
Trade and Other Receivables	12	963,281,939	385,131,650
Deposit, Prepayments and Advances	13	6,089,233	3,660,690
Cash & Cash Equivalent	14	17,371,994	11,589,365
		1,106,824,211	**571,076,947**
Total Assets		**1,211,592,682**	**673,408,355**
Equity and Liabilities			
Stated Capital	15	89,634,400	89,634,400
Retained Earnings	16	745,159,390	408,953,073
		834,793,790	**498,587,473**
Liabilities			
Non-current Liabilities			
Retirement Benefit Obligations	17	12,981,834	8,072,679
		12,981,834	**8,072,679**
Current Liabilities			
Trade and Other Payables	18	7,130,974	4,435,352
Income Tax Payable	19	58,941,297	21,474,270
Accrued Expenses	20	10,364,510	12,375,510
Bank Overdrafts - SBI (A/c No. 25140045620005) - USD		287,380,277	128,463,071
		363,817,058	**166,748,203**
Total equity and liabilities		**1,211,592,682**	**673,408,355**
Net Assets per Ordinary Share	21	**931.33**	**556.25**

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)

....
(Director)

11th May 2022

PONNAMPERUMA & CO. Chartered Accountants

NAVAM LANKA LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2022

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st April 2020	**89,634,400**	**185,445,601**	**275,080,001**
Profit for the year	-	223,507,472	223,507,472
Balance as at 31st March 2021	**89,634,400**	**408,953,073**	**498,587,473**
Balance as at 01st April 2021	**89,634,400**	**408,953,073**	**498,587,473**
Profit for the year	-	533,401,997	533,401,997
Dividend Paid	-	(197,195,680)	(197,195,680)
Balance as at 31st March 2022	**89,634,400**	**745,159,390**	**834,793,790**

Figures in brackets indicate deductions.

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

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Chartered Accountants

NAVAM LANKA LIMITED
STATEMENT OF CASH FLOW

For the year ended 31st March	2022	2021
	Rs.	Rs.
Cash flow from operating activities		
Net profit before taxation	620,693,292	261,296,157
Adjustment for,		
Depreciation	8,122,905	8,575,396
Loss on Disposal of Fixed Asset	1,496,780	8,170,012
Gratuity provision	4,909,155	1,871,286
Interest expenses	9,069,169	8,121,984
Operating profit before working capital changes	**644,291,301**	**288,034,834**
(Increase) /decrease in inventories	50,614,197	(10,476,267)
(Increase) /decrease in trade and other receivables	(578,150,289)	(206,272,646)
(Increase) /decrease in deposits and prepayments	(2,428,543)	742,833
Increase /(decrease) in trade and other payables	684,622	6,750,417
Cash flow generated from operations	**115,011,289**	**78,779,171**
Tax paid	(49,824,268)	(20,628,349)
Interest paid	(9,069,169)	(8,121,984)
Gratuity Paid	-	(552,175)
Net cash flow from operating activities	**56,117,852**	**49,476,665**
Cash flow from Investing activities		
Acquisition of property, plant and equipment	(26,263,293)	(2,948,422)
Sale Proceed on Plant & Machinery	462,963	-
Capital Work in Progress	13,743,583	(11,142,323)
Net cash used in investing activities	**(12,056,748)**	**(14,090,746)**
Cash flow from Financing activities		
Dividend Paid	(197,195,680)	-
Net cash used in financing activities	**(197,195,680)**	-
Net Increase / (Decrease) in Cash and Cash Equivalents	**(153,134,576)**	**35,385,918**
Cash and Cash Equivalents at Beginning of the Year	(116,873,706)	(152,259,624)
Cash and Cash Equivalents at End of the Year	**(270,008,283)**	**(116,873,706)**
At the End		
Cash at Bank	17,371,994	11,589,365
Bank Overdrafts	(287,380,277)	(128,463,071)
	(270,008,283)	**(116,873,706)**

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

PONNAMPERUMA & CO. Chartered Accountants

NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the Year Ended 31st March 2022.

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 11th May 2022.

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 2021 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.

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NAVAM LANKA LIMITED

NOTES TO THE ACCOUNTS (Contd....)

For the Year Ended 31st March 2022.

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 changed 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 recognize 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.

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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 are 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. 10 0f 2006 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.

Chartered Accountants

For the year ended 31st March		2022	2021
		Rs.	Rs.
3. Revenue			
Exports		1,793,807,336	1,080,032,226
Indirect export		93,321,717	267,518,524
Local sales		42,563,096	40,456,583
		1,929,692,149	**1,388,007,333**
4. Other Income			
Foreign Exchange Gain -Net		98,581,371	787,024
		98,581,371	**787,024**
5. Administration Expenses			
BOI ground rent		1,500,678	1,400,134
Bonus		889,299	601,429
Business promotion		288,593	358,707
Safety Gear Expenses		1,035,539	1,458,052
Audit fees		300,000	215,000
Non-Audit charges		25,000	-
Depreciation		2,087,416	2,087,888
Employees Provident Fund		2,409,827	2,152,246
Employees Trust Fund		602,456	538,167
Expatriates Salaries		17,816,064	16,206,093
Gratuity to Employees	**Note No.17**	4,909,155	1,871,286
Guest House Expenses		2,893,928	2,431,098
Legal Fees		54,720	93,430
Leave Encashment		1,523,476	1,381,185
Postage and courier		62,248	52,825
Printing and stationary		116,082	112,095
Security Expenses		2,604,124	1,935,453
Staff Salaries & incentives		3,508,267	3,080,675
Staff Welfare		684,261	414,504
Telephone & Communication		362,416	476,360
Traveling and Conveyance		2,790,506	1,568,070
Foreign Travelling & Work Visa		871,234	743,406
VAT charges (Disallowed input)		1,975	24,551
Repair, Maintenance IT equipment		73,920	18,200
Office Expenses		134,333	109,035
Mess Expenses		1,163,910	1,094,118
Inspection Charges, License Fee, Annual fee etc.		651,190	528,446
Consultancy Fees		1,081,250	1,164,264
Loss on Discarded of Property, Plant & Equipment		1,496,787	8,170,012
Repair, maintenance-Office, Guest House		72,450	60,661
Corporate Social Responsibility Expenses		-	124,527
Waste & Disposal Expenses		56,380	-
		52,067,484	**50,471,916**

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For the year ended 31st March	2022	2021
	Rs.	Rs.
6. Selling & Distribution expenses		
Insurance Marine and Other	40,377	14,646
Misc. export expenses (Destination, demurrage, loading , other exp etc.)	6,194,960	4,940,427
Ocean Freight- Export	566,748	132,057
Vehicle maintenance	2,043,452	1,117,207
Insurance - Motor Vehicle	175,380	-
Rebate and Quality Claim	59,191,128	-
	68,212,045	**6,204,338**
7. Finance Expenses		
Bank commission & Interest for C.C. & L.C.	9,069,169	8,121,984
	9,069,169	**8,121,984**

8. Income Tax Expenses

8.1 Major components of income tax expenses are as follows :

	2022	2021
Current tax expenses	87,291,295	37,788,685
	87,291,295	37,788,685

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.

	2022	2021
Accounting Profit before Taxation	620,693,292	261,296,157
Add: disallowable expenses	16,084,245	20,234,784
	636,777,537	281,530,941
Capital allowance & income from other sources	(13,268,290)	(11,611,761)
Taxable profit for the year	**623,509,248**	**269,919,180**
Tax Expenses for the year	**87,291,295**	**37,788,685**

8.3 Applicable Rate of Income Tax

The tax liability of the company has been computed at	**14%**	**14%**

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:

	2021/2022	2020/2021
Amounts used as the Numerator	**Rs.**	**Rs.**
Net Profit/ (Loss) Attributable to Ordinary Shareholders	533,401,997	224,465,359
Amount used as the Denominator		
Weighted Average Number of Ordinary Shares in Issue	896,344	896,344
Basic Earnings Per Ordinary Share (Rs.)	**595.09**	**250.42**
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		
Dividend Paid	197,195,680	-
	197,195,680	-
Dividend per Share (Rs.)	**220.00**	-

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Chartered Accountants

10. Property, Plant & 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
Rate of Depreciation	2%	3.33%	5%	20%	25%	20%	25%	10%	
As at 31.03.2020	**2,552,875**	**49,909,125**	**98,128,518**	**3,868,006**	**187,340**	**830,122**	**411,505**	**11,039,292**	**166,926,782**
Additions	2,601,261	-	112,734	149,430	84,998				**2,948,422**
Deductions	-	-	(16,865,089)	-	-	(4,732)	-	-	**(16,869,821)**
As at 31.03.2021	**5,154,136**	**49,909,125**	**81,376,163**	**4,017,436**	**272,338**	**825,390**	**411,505**	**11,039,292**	**153,005,384**
Additions	-	18,289,019	7,400,206	257,284	5,500	311,284	-	-	**26,263,293**
Discarded/Disposal	-	-	(2,315,924)	-	-	-	-	-	**(2,315,924)**
As at 31.03.2022	**5,154,136**	**68,198,144**	**86,460,446**	**4,274,719**	**277,838**	**1,136,674**	**411,505**	**11,039,292**	**176,952,753**
Depreciation & Impairment									
As at 31.03.2020	-	**27,601,774**	**30,836,759**	**895,464**	**132,792**	**496,930**	**381,910**	**4,196,343**	**64,541,973**
Depreciation for the period	113,156	1,661,974	4,825,534	739,819	32,012	97,380	29,595	1,075,925	**8,575,395**
Discarded/Disposal	-	-	(8,695,059)	-	-	(4,750)	-	-	(8,699,809)
As at 31.03.2021	**113,156**	**29,263,748**	**26,967,234**	**1,635,284**	**164,804**	**589,561**	**411,505**	**5,272,268**	**64,417,559**
Depreciation for the period	89,652	1,914,524	4,120,965	786,780	32,957	102,102	-	1,075,925	8,122,905
Discarded/Disposal	-	-	(356,182)	-		-	-	-	(356,182)
As at 31.03.2022	**202,808**	**31,178,272**	**30,732,018**	**2,422,064**	**197,761**	**691,663**	**411,505**	**6,348,193**	**72,184,282**
Net Book Value									
As at 31.03.2020	**2,552,875**	**22,307,351**	**67,291,759**	**2,972,541**	**54,548**	**333,192**	**29,595**	**6,842,949**	**102,384,810**
As at 31.03.2021	**5,040,980**	**20,645,377**	**54,408,928**	**2,382,152**	**107,534**	**235,829**	**0**	**5,767,024**	**88,587,825**
As at 31.03.2022	**4,951,328**	**37,019,872**	**55,728,428**	**1,852,656**	**80,077**	**445,011**	**0**	**4,691,099**	**104,768,471**

PONNAMPERUMA & CO.
Chartered Accountants

NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March		2022	2021
		Rs.	Rs.
11. Inventory			
Raw material		-	26,973,280
Consumables		52,471,143	32,172,564
Work-in-Progress		22,503,608	96,349,084
Finished goods		45,106,294	15,200,313
		120,081,045	**170,695,242**
12. Trade and other receivables			
Trade Receivable-Domestic		-	44,492,172
Trade Receivable-Foreign		184,928,911	7,408,817
Trade Receivable-Group Company-Export		773,720,457	328,598,090
VAT Refund		4,632,571	4,632,571
		963,281,939	**385,131,650**
13. Deposits, prepayment and advances			
Refundable Deposits	**Note 13.1**	696,500	696,500
Prepaid Expenses- Current		3,494,221	2,433,593
Prepaid Insurance		328,214	366,167
Advances	**Note 13.2**	1,570,298	164,430
		6,089,233	**3,660,690**
13 Refundable Deposits			
Ceylon Electricity Board (Security Deposit)		500,000	500,000
Security Deposit to Vendor		196,500	196,500
		696,500	**696,500**
13 Advances			
Advance paid to suppliers		889,833	-
Advance paid to expenses		564,371	-
Advance-Administration		100,000	150,000
Advance- Staff Salary		-	5,000
Advance - Staff Travel		16,094	9,430
		1,570,298	**164,430**
14 Cash and Cash at Bank			
Seylan Bank - C/A No. 0780-07870418-001 (LKR)		16,624,107	9,279,226
State Bank of India - A/c No. 25140045650001 (LKR)		315,449	1,794,645
Cash in Hand		432,438	515,494
		17,371,994	**11,589,365**

PONNAMPERUMA & CO.
Chartered Accountants

As at 31st March 2022

15. Stated Capital

	As at 31.03.2022	As at 31.03.2021
Ordinary Shares	**Nos.**	**Nos.**
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.

16. Retained Earnings

	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
Balance Brought Forward	408,953,073	185,445,601
Net profit for the year	533,401,997	223,507,472
Dividend Paid	(197,195,680)	-
	745,159,390	**408,953,073**

17. Retirement benefit obligation

At beginning of the year	8,072,679	6,753,568
Charge for the year	4,909,155	1,871,286
	12,981,834	8,624,854
Paid during the year	-	(552,175)
At end of the year	**12,981,834**	**8,072,679**

18. Trade and other payables

Trade Creditors	62,194	693,971
Gravita India Limited	3,441,169	2,066,500
Employee Payable A/c	-	686,291
Professional Fee Payable	-	61,350
Current Account-GINL	-	292,214
Advance from Customer - International	-	635,026
Incentive Payable	2,415,213	-
Advance from Gravita - Netherland	1,212,398	-
	7,130,974	**4,435,352**

19. Income Tax Payable

Opening Balance	21,474,270	4,313,934
Provision for the year	87,291,295	37,788,685
Income Tax Liability	108,765,565	42,102,619
CIT Payments During the Year		
2019/2020		(4,313,932)
2020/2021	(21,474,268)	(16,314,417)
2021/2022	(28,350,000)	-
	(49,824,268)	(20,628,349)
Income Tax Payable / (Refund)	**58,941,297**	**21,474,270**

PONNAMPERUMA & CO. Chartered Accountants

As at 31st March 2022	2022	2021
	Rs.	Rs.
20. Accrued expenses		
Audit fees payable	300,000	215,000
Provision for Bonus	1,094,049	597,213
Provision for Administration Expenses	1,246,248	2,671,150
Leave encashment	1,671,952	1,237,467
Salaries and other payables	5,610,576	7,108,874
VAT Payable	236,548	359,432
GR/IR Clearing Account-Services	205,137	186,374
	10,364,510	**12,375,510**

21. 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	834,793,790	498,587,473
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.)	**931.33**	**556.25**

22. Related Party Transaction

The company carries out transactions in the ordinary course of its business with parties who are defined as related par in Section 33 of Sri Lanka Accounting Standard for SME "Related Party Disclosures", the details of which are listed below:

Name of Company	Sales	Purchase	Balance Dr.	Balance Cr.
Gravita India Limited - (Parent Company)	###########	15,042,265	519,172,979	1,660,636

23. 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

Contingent Assets

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

24. Unrecognized Contractual Commitments

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

25. 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

26. Comparative Information's

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

27. Commitments and Contingencies

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

PONNAMPERUMA & CO. Chartered Accountants

NAVAM LANKA LIMITED
SCHEDULE TO THE ACCOUNTS

For the year ended 31st March		2022	2021
		Rs.	Rs.
Schedule 01			
Cost of sales			
Raw material			
Inventory - beginning of the year		26,973,280	33,438,868
Purchases		1,001,905,476	918,645,607
Inventory - end of the year		-	(26,973,280)
		1,028,878,756	**925,111,195**
Direct expenses	**Sch.01.(A)**	29,594,870	26,103,059
Prime cost		**1,058,473,626**	**951,214,254**
Factory overheads	**Sch.01.(B)**	31,903,496	29,001,123
Consumables			
Opening stock		32,172,564	32,650,227
Add : purchase		164,213,491	99,426,439
		196,386,055	**132,076,666**
Closing stock		(52,471,143)	(32,172,564)
		143,914,912	**99,904,102**
Works in progress - beginning of the year		96,349,084	23,538,768
Works in progress - end of the year		(22,503,608)	(96,349,084)
Cost of goods manufactured		**1,308,137,510**	**1,007,309,163**
Finished goods - beginning of the year		15,200,313	70,591,112
Finished goods - end of the year		(45,106,294)	(15,200,313)
Cost of sales		**1,278,231,529**	**1,062,699,962**

Schedule 01 (A)		
Direct expenses		
Labor & wages	29,286,857	25,791,947
Employees Provident Fund	246,411	248,889
Employees Trust Fund	61,602	62,223
	29,594,870	**26,103,059**
Schedule 01 (B)		
Factory overheads		
Machinery, repairs and maintenance & Factory Repairs	15,538,945	13,143,779
Electricity	7,284,552	6,879,145
Medical Insurance	12,000	12,611
Labor welfare	1,909,023	1,453,235
Depreciation	6,035,489	6,487,508
Insurance - Factory	543,212	512,430
Water, packing material & other expenses	580,275	512,415
	31,903,496	**29,001,123**

PONNAMPERUMA & CO.
Chartered Accountants

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

As at 31st March 2022

Schedule 02
Discarded of Property, Plant & Equipment

Asset Description	Cost	Acc. Depn	Net Book	Sale Proceeds	(Profit) / Loss
Excavator	2,315,000	356,129	1,958,871	462,963	1,495,908
Ingot Moulds	110,000	110,000	-	-	-
Ingot Casting Mould	924	52	872	-	872
	2,425,924	**466,182**	**1,959,742**	**462,963**	**1,496,780**

Schedule 03
Name of Shareholders

		As at 31.03.2022		As at 31.03.2021	
Names	**Country**	**No. of Shares**	**%**	**No. of Shares**	**%**
1. Mr. Ved Prakash Maheshwa	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%	**896,344**	100%

PONNAMPERUMA & CO.
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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 2021 to 31st March 2022
Year of assessment	:	**2021/2022**

		Rs.	**Rs.**
Net Profit as per Accounts			620,693,292
Add: disallowable expenses			
Gratuity provision		4,909,155	
Depreciation		8,122,905	
Legal fees		54,720	
Loss on disposal of assets		1,496,787	
Ground Rent - Amortization		1,500,678	16,084,245
			636,777,537
Less: Capital allowance & income from other sources			
Ground Rent Paid - BOI		1,722,966	
Gratuity Paid		-	
Capital allowance	**Annexure 1**	11,545,324	
Taxable Loss on Disposals		-	(13,268,290)
Taxable profit for the year			**623,509,248**
Income Tax	623,509,248	@ 14%	**87,291,295**

Tax Credits

CIT Paid

Date	Cheque No.	Period	Amount	
11/08/2021	100693	20211	7,000,000	
10/11/2021	100579	20212	11,900,000	
10/02/2022	106858	20213	9,450,000	
12/05/2022	112663	20214	9,450,000	(37,800,000)

Balance Tax Payable **49,491,295**

PONNAMPERUMA & CO. Chartered Accountants