

NAVAM LANKA LIMITED
FINANCIAL STATEMENTS

31ST MARCH 2026

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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 31st March 2026 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 31st March 2026 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.

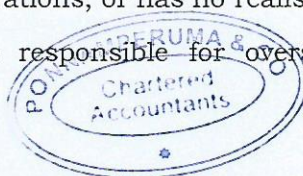
If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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.

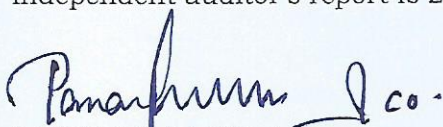
As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2302 (FCA).


PONNAMPERUMA & Co.
Chartered Accountants
Colombo.
April 09, 2026



NAVAM LANKA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March

	Note	2026 Rs.	2025 Rs.
Revenue	3	2,378,488,079	2,327,890,077
Cost of Sales		<u>(1,946,041,883)</u>	<u>(2,062,701,464)</u>
Gross profit		432,446,195	265,188,613
Other Income	4	<u>(6,235,318)</u>	<u>(9,878,695)</u>
		426,210,878	255,309,918
Administration Expenses	5	(96,919,586)	(94,640,991)
Selling & Distribution expenses	6	(20,925,992)	(54,580,493)
Finance Expenses	7	<u>(970,556)</u>	<u>(1,173,571)</u>
Profit Before Taxation		307,394,743	104,914,863
Income Tax Expenses	8	(93,977,753)	(37,147,403)
Net Profit for the year from Continuing Operations		<u>213,416,990</u>	<u>67,767,460</u>
Other Comprehensive Income		-	-
Total Comprehensive Income / (Expense) for the year		<u>213,416,990</u>	<u>67,767,460</u>
Earnings Per Share (Rs.)	9.1	238.10	85.21
Dividend Per Share (Rs.)	9.2	-	-

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,

	Note	2026 Rs.	2025 Rs.
Assets			
Non-Current Assets			
Property, Plant & Equipment	10	110,098,414	92,340,768
Capital work-in-progress		4,299,873	-
		<u>114,398,287</u>	<u>92,340,768</u>
Current Assets			
Inventories	11	195,696,478	201,581,323
Trade and Other Receivables	12	201,855,061	29,778,152
Deposit, Prepayments and Advances	13	3,998,124	3,222,425
Cash & Cash Equivalent	14	64,039,775	70,882,182
		<u>465,589,439</u>	<u>305,464,082</u>
Total Assets		<u>579,987,726</u>	<u>397,804,850</u>
Equity and Liabilities			
Stated Capital	15	89,634,400	89,634,400
Retained Earnings	16	376,189,405	162,772,414
		<u>465,823,805</u>	<u>252,406,814</u>
Liabilities			
Non-current Liabilities			
Retirement Benefit Obligations	17	19,794,558	16,496,679
		<u>19,794,558</u>	<u>16,496,679</u>
Current Liabilities			
Trade and Other Payables	18	27,465,727	133,558,783
Income Tax Payable	19	48,455,091	(26,948,960)
Accrued Expenses	20	18,448,546	22,291,534
		<u>94,369,364</u>	<u>128,901,357</u>
Total equity and liabilities		<u>579,987,726</u>	<u>397,804,850</u>
Net Assets per Share	21	519.69	317.38

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)

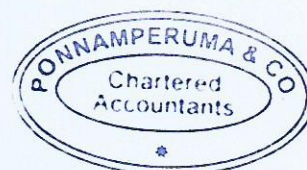
The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed on behalf of the Board of Directors of Navam Lanka Limited.

.....
(Director)

09th April 2026

.....
(Director)

N. J. J. J.



NAVAM LANKA LIMITED

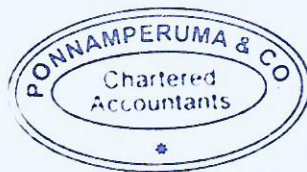
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2026

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
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
Balance as at 31st March 2025	89,634,400	162,772,415	252,406,815
Balance as at 01st April 2025	89,634,400	162,772,415	252,406,815
Profit for the year	-	213,416,990	213,416,990
Balance as at 31st March 2026	89,634,400	376,189,405	465,823,805

Figures in brackets indicate deductions.

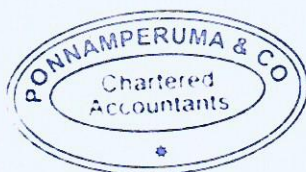
The Significant Accounting Policies and Notes on pages 07 to 15 form an integral part of these financial statements.



NAVAM LANKA LIMITED
STATEMENT OF CASH FLOW

<i>For the year ended 31st March</i>	2026	2025
	Rs.	Rs.
Cash flow from operating activities		
Net profit before taxation	307,394,743	104,914,863
<i>Adjustment for,</i>		
Depreciation	9,101,847	8,629,215
Loss on Disposal of Property, plant & equipment	657,439	2,204,645
Gratuity provision	3,297,879	2,837,663
Interest expenses	970,556	1,173,571
Operating profit before working capital changes	321,422,463	119,759,957
(Increase) /decrease in inventories	5,884,845	(57,940,477)
(Increase) /decrease in trade and other receivables	(172,076,909)	647,160,526
(Increase) /decrease in deposits and prepayments	(775,699)	5,217,920
Increase /(decrease) in trade and other payables	(109,936,044)	126,456,581
Cash flow generated from operations	44,518,656	840,654,507
Tax paid	(18,573,701)	(84,761,111)
Interest paid	(970,556)	(1,173,571)
Gratuity Paid	-	-
Net cash flow from operating activities	24,974,398	754,719,825
Cash flow from Investing activities		
Acquisition of property, plant and equipment	(31,816,805)	(4,742,852)
Uplift / (Invest) in Fixed deposits	-	95,400,000
Net cash used in investing activities	(31,816,805)	90,657,148
Cash flow from Financing activities		
Share Repurchase	-	(808,684,149)
Net cash used in financing activities	-	(808,684,149)
Net Increase / (Decrease) in Cash and Cash Equivalents	(6,842,408)	36,692,823
Cash and Cash Equivalents at Beginning of the Year	70,882,183	34,189,360
Cash and Cash Equivalents at End of the Year	64,039,775	70,882,183
<i>At the End</i>		
Cash at Bank	63,595,219	69,870,409
Cash in hand	444,556	1,011,774
	64,039,775	70,882,183

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 2026.

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 09th April 2026.

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 2026 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

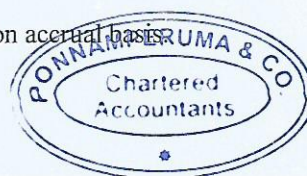
A) Sales of Goods

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 2026.

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 2026.

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

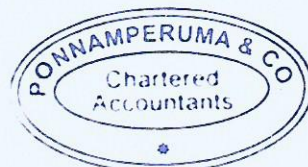
The Directors have made an assessment of the Company's ability to continue as a going concern, and being satisfied that it has the resources to continue in business for the foreseeable future confirm that they do not intend either to liquidate or to cease operations of the Company.

NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2026	2025
	Rs.	Rs.
3. Revenue		
Exports	1,918,471,789	2,219,132,276
Local sales	460,016,290	108,757,801
	2,378,488,079	2,327,890,077
4. Other Income		
Foreign Exchange Gain / (Loss) -Net	(7,100,556)	(18,021,635)
Interest Income-Bank Deposits (FC)	-	4,347,780
Interest Income-Bank Deposits (LKR)	-	3,795,160
Misc. Balances Written off	3,276	-
Scrap Sales	861,963	-
	(6,235,318)	(9,878,695)
5. Administration Expenses		
BOI ground Rent	2,821,728	2,831,566
Bonus	1,409,235	1,316,961
Safety Gear Expenses	745,833	620,816
Audit fees	439,230	399,300
Non-Audit charges	-	32,500
Depreciation	1,108,197	1,363,840
Employees Provident Fund	4,421,498	3,804,981
Employees Trust Fund	1,105,474	951,249
EPF Ex rate diff provision till Feb. 22	-	5,880,621
ETF Ex rate diff provision till Feb. 22	-	835,104
Staff & Expatriates Salaries	39,357,304	35,447,860
Gratuity to Employees	3,297,879	2,837,663
Guest House Expenses	4,003,845	3,602,801
Legal Fees	170,267	311,197
Leave Encashment	2,762,757	2,540,101
Postage and courier	42,531	30,910
Printing and stationary	261,363	194,360
Security Expenses	3,730,763	3,088,337
Staff Incentives	-	10,640,397
Staff Welfare	1,768,877	1,201,746
Telephone & Communication	608,532	583,065
Traveling and Conveyance	2,730,687	3,119,638
Foreign Travelling & Work Visa	1,447,602	1,372,910
Repair, Maintenance IT equipment	78,050	92,630
Office Expenses	70,943	40,502
Mess Expenses	2,089,227	2,132,572
Inspection Charges, License Fee, Annual fee etc.	1,155,237	2,181,658
Consultancy Fees	2,182,773	2,326,469
Loss on Discarded of Property, Plant & Equipment Schedule 02	657,439	2,204,645
Repair, maintenance-Office, Guest House	120,150	68,050
CSR Expenses	-	107,334
Overseas Allowance-Staff	4,046,582	-
Misc. Balances Written off	-	743,717
Disallowed VAT refund	47,907	3,222,925
Donation	182,752	-
Stores & Spares Expenses	14,054,921	-
	96,919,586	94,640,991

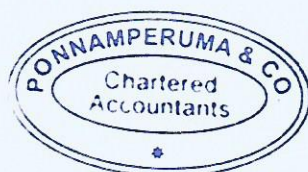
Note No.17



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2026	2025
	Rs.	Rs.
6. Selling & Distribution expenses		
Freight Outward-Domestic	16,849,128	564,878
Insurance Marine and Other	-	886,138
Misc. export expenses (Destination, demurrage, loading , other exp etc.)	3,034	7,942,930
Ocean Freight- Export	72,754	7,731,972
Vehicle maintenance	99,466	901,097
Insurance - Motor Vehicle	103,352	206,200
Rebate and Quality Claim	-	25,567,519
Shipping & DO Charges-Export	1,035,722	3,007,333
Inland Haulage Charges-Export	-	162,892
ICD/CFS Chagres-Export	-	1,349,008
Business Promotional Expenses	2,762,537	6,260,525
	<u>20,925,992</u>	<u>54,580,493</u>
7. Finance Expenses		
Bank commission & Interest for C.C. & L.C.	970,556	1,173,571
	<u>970,556</u>	<u>1,173,571</u>
8. Income Tax Expenses		
8.1 Major components of income tax expenses are as follows :		
Current tax expenses	93,977,753	37,147,403
	<u>93,977,753</u>	<u>37,147,403</u>
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	307,394,743	104,914,863
Add: disallowable expenses	16,172,721	32,912,685
	<u>323,567,464</u>	<u>137,827,549</u>
Capital allowance & income from other sources	(10,308,289)	(14,002,872)
Taxable profit for the year	<u>313,259,175</u>	<u>123,824,677</u>
Income Tax Rate	30%	30%
Income Tax Expense at	93,977,753	37,147,403
Tax Expenses for the year	<u>93,977,753</u>	<u>37,147,403</u>
9. Earnings per share		
9.1 Earnings per Ordinary Share		
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:		
	2025/2026	2024/2025
Amounts used as the Numerator	Rs.	Rs.
Net Profit/ (Loss) Attributable to Ordinary Shareholders	213,416,990	67,767,460
Amount used as the Denominator		
Weighted Average Number of Ordinary Shares in Issue	896,344	795,295
Earnings Per Ordinary Share (Rs.)	<u>238.10</u>	<u>85.21</u>
Weighted Average Number of Ordinary Shares	Nos.	Nos.
Total as at beginning of the period	667,257	896,344
Effect of Shares buyback	-	(229,087)
Ordinary Shares after the Share buyback	<u>667,257</u>	<u>667,257</u>
Ordinary Shares at the beginning of the year	896,344	896,344
Weighted impact of Share buyback (161 days)	-	(101,049)
Weighted Average number of ordinary shares	<u>896,344</u>	<u>795,295</u>
9.2 Dividend Per Share	Rs.	Rs.
Dividend Paid	-	-
	-	-
Dividend per Share (Rs.)	<u>-</u>	<u>-</u>



NAVAM LANKA LIMITED

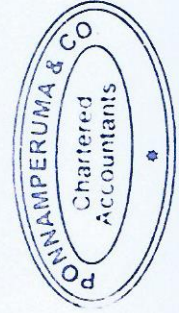
NOTES TO THE ACCOUNTS

As at 31st March 2026

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 PPE
Rate of Depreciation	2%	3.33%	5%	20%	25%	20%	25%	10%	
As at 01.04.2024	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
Deductions	-	-	(3,422,663)			(110,001)			(3,532,664)
As at 31.03.2025	5,154,136	68,198,144	97,647,999	4,475,379	327,583	1,130,973	411,505	11,039,292	188,385,011
Additions	-	10,596,220	14,869,845	2,031,667	0	19,200	(0)	(0)	27,516,931
Discarded/Disposal	-	-	(1,105,771)	(15,000)	-	(73,466)	-	-	(1,194,237)
As at 31.03.2026	5,154,136	78,794,364	111,412,074	6,492,046	327,583	1,076,707	411,505	11,039,292	214,707,705
Depreciation & Impairment									
As at 01.04.2024	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	8,629,216
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
Depreciation for the period	(471,764)	3,113,388	5,263,560	287,107	12,895	97,150	(0)	799,511	9,101,847
Discarded/Disposal	-	-	(448,332)	(15,000)	-	(73,466)	-	-	(536,798)
As at 31.03.2026	-	41,104,654	47,569,363	4,445,588	298,349	950,367	411,505	9,829,466	104,609,291
Net Book Value									
As at 01.04.2024	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	54,893,864	301,898	42,129	204,290	-	2,009,337	92,340,768
As at 31.03.2026	5,154,136	37,689,710	63,842,712	2,046,458	29,234	126,340	-	1,209,826	110,098,414



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March

	2026	2025
	Rs.	Rs.
11. Inventory		
Raw material	21,113,197	2,907,490
Consumables	68,770,137	64,326,702
Work-in-Progress	75,824,353	100,688,783
Finished goods	29,988,790	33,658,348
	195,696,478	201,581,323
12. Trade and other receivables		
Trade Receivable - Domestic	77,532,855	127,582
Trade Receivable-Group Company-Export	119,035,270	23,743,851
Other Receivables	4,393	-
VAT Refund	5,282,543	4,699,711
Input VAT claimable	-	1,207,008
	201,855,061	29,778,152
13. Deposits, prepayment and advances		
Refundable Deposits	1,146,500	696,500
Prepaid Expenses- Current	291,246	85,349
Prepaid Insurance	370,559	303,501
Pre-paid Ground Rent	2,189,819	2,137,075
	3,998,124	3,222,425
13.1 Refundable Deposits		
Ceylon Electricity Board (Security Deposit)	500,000	500,000
Security Deposit to Vendor	96,500	196,500
Security Deposit to Guest House	250,000	-
Sri Lanka Telecom	300,000	-
	1,146,500	696,500
14. Cash and Cash at Bank		
State Bank of India- A/c No-251-400456-20005(USD)	43,822,939	57,828,814
Seylan Bank - C/A No. 0780-07870418-001 (LKR)	15,255,449	11,483,196
State Bank of India - A/c No. 25140045650001 (LKR)	4,516,831	558,399
Cash in Hand - LKR	262,167	771,141
Petty Cash -INR	8,112	8,439
Petty Cash -USD	174,277	232,193
	64,039,775	70,882,182



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

<i>As at 31st March,</i>		2026	2025
15. Stated Capital			
Ordinary Shares		Nos.	Nos.
Balance as at 01st April		667,257	896,344
Shares Repurchase		-	(229,087)
Balance as at 31st March		667,257	667,257
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.			
15.1 Share Repurchase - 2024/2025			
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.			
16. Retained Earnings			
		As at	As at
		31.03.2026	31.03.2025
		Rs.	Rs.
Balance Brought Forward		162,772,414	903,689,103
Shares Buy-back		-	(808,684,149)
Net profit for the year		213,416,990	67,767,460
		376,189,405	162,772,414
17. Retirement benefit obligation			
At beginning of the year		16,496,679	13,659,016
Charge for the year		3,297,879	2,837,663
		19,794,558	16,496,679
Paid during the year		-	-
At end of the year		19,794,558	16,496,679
18. Trade and other payables			
Gravita - Netherland		-	9,026,986
Social Security Contribution Levy Payable		1,846,193	130,163
VAT Payable		14,099,284	1,102,571
WHT Payable		-	5,166
Trade Creditors - Domestic		11,520,250	-
Advance from Customer-Group company-Export		-	123,293,898
		27,465,727	133,558,783
19. Income Tax Payable			
Opening Balance		(26,948,960)	20,664,748
Provision for the year		93,977,753	37,147,403
Income Tax Liability		67,028,792	57,812,151
Less: Credits			
WHT Paid		-	(1,051,364)
CIT Payments During the Year			
2023/2024		-	(20,664,747)
2024/2025		-	(63,045,000)
2025/2026		(18,573,701)	-
		(18,573,701)	(84,761,111)
Income Tax Payable / (Refund)		48,455,091	(26,948,960)



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March,

	2026	2025
	Rs.	Rs.
20. Accrued expenses		
Audit fees payable	439,230	399,300
Provision for Bonus	1,183,469	1,044,205
Provision for Administration Expenses	1,928,907	1,866,665
Leave encashment	1,082,552	1,395,196
Salaries and other Employee Related Payables	13,540,188	10,677,469
ETF & EPF Ex rate diff provision till Feb. 22	-	6,715,725
Provision for Guest House Expenses	274,200	192,975
	18,448,546	22,291,534

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 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 465,823,805 252,406,814

Amount used as the Denominator

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

Net Assets per Ordinary Share (Rs.) **519.69** **317.38**

22. Related Party Transaction

The company carries out transactions in the ordinary course of its business with parties who are defined as related parties 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)	1,918,471,789	-	119,035,270	-
Gravita - Netherland	-	-	-	-

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 date

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 contracted 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 Current Year.

27. 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

		2026	2025
		Rs.	Rs.
Schedule 01			
Cost of sales			
Raw material			
Inventory - beginning of the year		2,907,490	2,864,850
Purchases		1,702,195,637	1,845,797,128
Inventory - end of the year		(21,113,197)	(2,907,490)
		1,683,989,930	1,845,754,488
Direct expenses	Sch.01.(A)	32,058,732	31,049,685
		1,716,048,662	1,876,804,173
Prime cost			
Factory overheads	Sch.01.(B)	28,292,066	46,275,959
Consumables			
Opening stock		64,326,702	37,663,215
Add : purchase		177,610,603	197,519,170
		241,937,305	235,182,385
Closing stock		(68,770,137)	(64,326,702)
		173,167,167	170,855,683
Works in progress - beginning of the year		100,688,783	66,609,995
Works in progress - end of the year		(75,824,353)	(100,688,783)
		1,942,372,325	2,059,857,027
Cost of goods manufactured			
Finished goods - beginning of the year		33,658,348	36,502,785
Finished goods - end of the year		(29,988,790)	(33,658,348)
		1,946,041,883	2,062,701,464
Cost of sales			

Schedule 01 (A)

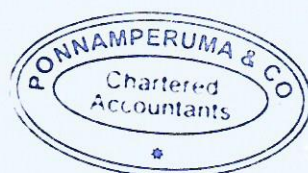
Direct expenses

Labor & wages		31,700,501	30,742,493
Employees Provident Fund		286,584	245,752
Employees Trust Fund		71,647	61,440
		32,058,732	31,049,685

Schedule 01 (B)

Factory overheads

Machinery, repairs and maintenance & Factory Repairs		7,902,523	21,784,998
Electricity		9,600,792	13,752,943
Medical Insurance		-	19,160
Labor welfare		1,313,700	1,667,687
Depreciation		7,456,852	7,265,377
Insurance - Factory		373,433	558,060
Water, Packing & other expenses		1,644,766	1,227,734
		28,292,066	46,275,959



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

As at 31st March 2026

Schedule 02

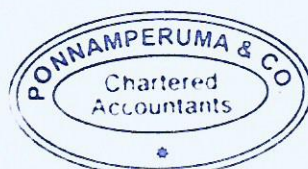
Discarded of Property, Plant & Equipment

<u>Asset Description</u>	<u>Cost</u>	<u>Acc. Depn</u>	<u>Net Book</u>	<u>Sale Proceeds</u>	<u>(Profit) / Loss</u>
Machinery & Equipment	1,105,771	448,332	657,439	-	657,439
Office Equipment	15,000	15,000	-	-	-
Furniture	73,466	73,466	-	-	-
	1,194,237	536,798	657,439	-	657,439

Schedule 03

Name of Shareholders

<u>Names</u>	<u>Country</u>	<u>As at 31.03.2026</u>		<u>As at 31.03.2025</u>	
		<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Gravita Netherlands B.V	Netherlands	667,257	100.00%	667,257	100.00%
		667,257	100.00%	667,257	100.00%





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 2025 to 31st March 2026

Year of assessment : 2025/2026

	Rs.	Rs.
Net Profit as per Accounts		307,394,743
Add: disallowable expenses		
Gratuity provision	3,297,879	
Depreciation	9,101,847	
Profit/(loss) on disposal of Assets	657,439	
Business promotion	2,762,537	
Legal fees	170,267	
Donation	182,752	16,172,721
		<u>323,567,464</u>

Less: Capital allowance & income from other sources

Gratuity Paid		-	
Capital allowance	Annexure 1	9,650,850	
Taxable Loss on Disposals		657,439	(10,308,289)
Taxable profit for the year			<u><u>313,259,175</u></u>

Income Tax 313,259,175 @ 30% 93,977,753

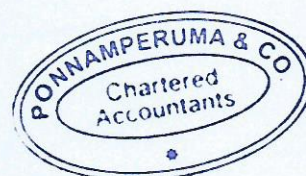
Tax Credits

CIT refund b/fd from 2024/25 26,948,961

CIT Paid

Date	Period	Amount	
11-08-25	25261	9,286,850.75	
13-11-25	25262	9,286,850.70	
	25264		18,573,701
			<u>(45,522,663)</u>

Balance Tax Payable 48,455,090



NAVAM LANKA LIMITED
ANNEXURE TO THE TAX COMPUTATION
YEAR OF ASSESSMENT 2025/2026

Annexure 01

Capital allowances

Assets	Rate	Cost	Unexpired Beginning	Allowance Claimed	Unexpired Ending
2025/2026					
Factory Building	5%	10,596,220	10,596,220	529,811	10,066,409
Plant & Machinery	20%	14,869,845	14,869,845	2,973,969	11,895,876
Office Equipment	20%	2,031,667	2,031,667	406,333	1,625,333
		27,497,732	27,497,732	3,910,113	23,587,619
2024/2025					
Plant & Machinery	20%	4,478,554	3,582,843	895,711	2,687,132
Office Equipment	20%	214,553	171,643	42,911	128,732
IT Equipment & Peripherals	20%	49,745	39,796	9,949	29,847
		4,742,852	3,794,282	948,570	2,845,712
2023/2024					
Plant & Machinery	20%	2,781,750	1,669,050	556,350	1,112,700
Furniture & Fixture	20%	124,200	74,520	24,840	49,680
		2,905,950	1,743,570	581,190	1,162,380
2022/2023					
Plant & Machinery	20%	10,482,676	4,193,070	2,096,535	2,096,535
		10,482,676	4,193,070	2,096,535	2,096,535
2021/2022					
Building & Factory	5%	18,289,019	14,631,215	914,451	13,716,764
Plant & Machinery	20%	7,400,206	1,480,041	1,480,041	(0)
Office Equipment	20%	257,284	51,457	51,457	0
Furniture & Fixture	20%	311,284	62,257	62,257	0
IT Equipment & Peripherals	20%	5,500	1,100	1,100	-
		26,263,293	16,226,070	2,509,306	13,716,764
2019/2020					
Building & Factory	5%	1,476,065	1,033,245	73,803	959,442
		1,476,065	1,033,245	73,803	959,442
2015/2016					
Factory Building	6.67%	1,687,829	675,131	112,522	562,609
		1,687,829	675,131	112,522	562,609
TOTAL		72,150,446	53,419,530	9,650,850	43,768,680

