

NAVAM LANKA LIMITED

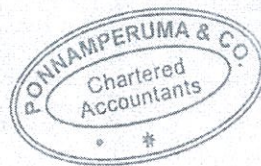
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March

	Note	2018 Rs.	2017 Rs.
Revenue	3	1,300,181,834	886,936,056
Cost of Sales		(1,028,496,696)	(684,362,917)
Gross profit		271,685,138	202,573,139
Other Income	4	398,018	2,034,564
		272,083,156	204,607,704
Administration Expenses	5	(39,802,706)	(36,647,220)
Finance Expenses	6	(8,170,170)	(2,598,621)
Selling & Distribution expenses	7	(17,541,552)	(27,342,067)
Profit Before Taxation		206,568,728	138,019,796
Income Tax Expenses	8	(23,963,502)	(15,805,095)
Net Profit for the year from Continuing Operations		182,605,226	122,214,701
Other Comprehensive Income		-	-
Total Comprehensive Income / (Expense) for the year		182,605,226	122,214,701
Basic Earnings/(Loss) Per Ordinary Share (Rs.)	9.1	203.72	136.35
Dividend Per Ordinary Share (Rs.)	9.2	180.00	135.00

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes on pages 06 to 15 form an integral part of these financial statements.



NAVAM LANKA LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,		2018	2017
	Note	Rs.	Rs.
Assets			
Non Current Assets			
Property, Plant and Equipment	10	82,400,780	72,169,035
Capital Work in Progress		1,940,993	1,895,682
		<u>84,341,772</u>	<u>74,064,716</u>
Current Assets			
Inventories	11	141,069,568	102,282,472
Trade and other receivables	12	158,613,377	1,313,567
Deposit, prepayments and advances	13	3,158,768	18,255,741
Cash & Cash Equivalent	14	3,832,956	56,486,416
		<u>306,675,069</u>	<u>178,338,195</u>
Total Assets		<u>391,016,841</u>	<u>252,402,911</u>
Equity and Liabilities			
Stated Capital	15	89,634,400	89,634,400
Retained Earnings	16	159,182,129	137,918,823
		<u>248,816,529</u>	<u>227,553,223</u>
Liabilities			
Non-current Liabilities			
Retirement benefit obligations	17	4,827,750	3,845,164
		<u>4,827,750</u>	<u>3,845,164</u>
Current Liabilities			
Trade and other payables	18	7,733,236	2,194,033
Income Tax Payable	19	12,105,254	3,805,095
Accrued expenses	20	11,023,164	15,005,396
Bank Overdrafts - State Bank of India		106,510,908	-
		<u>137,372,562</u>	<u>21,004,525</u>
Total equity and liabilities		<u>391,016,841</u>	<u>252,402,911</u>
Net Assets per Ordinary Share	21	277.59	253.87

The Significant Accounting Policies and Notes on pages 06 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.7 of 2007.

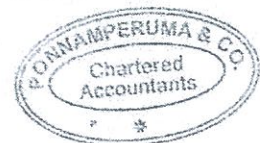
.....
(Head of Finance)

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)

11th April 2018

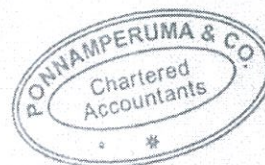
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(Director)



NAVAM LANKA LIMITED
STATEMENT OF CASH FLOW

<i>For the year ended 31st March</i>	2018	2017
	Rs.	Rs.
Cash flow from operating activities		
Net profit before taxation	206,568,728	138,019,796
<i>Adjustment for,</i>		
Profit on disposal of Property, plant & equipment	-	(90,142)
Depreciation	6,173,464	5,655,547
Discarded of Machineries	1,058,688	3,891,189
Gratuity provision	1,574,312	670,015
Interest expenses	4,706,266	2,598,621
Operating profit before working capital changes	220,081,459	150,745,026
(Increase) /decrease in inventories	(38,787,096)	10,516,747
(Increase) /decrease in trade and other receivables	(157,300,210)	1,099,951
(Increase) /decrease in deposits and prepayments	15,096,973	3,066,686
Increase /(decrease) in trade and other payables	1,556,970	5,087,175
Cash flow generated from operations	40,648,096	170,515,585
Tax paid	(15,663,344)	(14,130,524)
Interest paid	(4,706,266)	(2,598,621)
Gratuity Paid	(591,726)	(785,897)
Net cash flow from operating activities	19,686,760	153,000,542
Cash flow from investing activities		
Acquisition of property, plant and equipment	(16,288,673)	(7,899,715)
Sale proceeds on disposal of property, plant & equipment	-	200,000
Capital Work in Progress	(1,220,535)	(1,895,682)
Net cash used in investing activities	(17,509,208)	(9,595,397)
Cash flow from financing activities		
Payment of dividend	(161,341,920)	(121,006,440)
Net cash used in financing activities	(161,341,920)	(121,006,440)
Net Increase / (Decrease) in Cash and Cash Equivalents	(159,164,369)	22,398,705
Cash and Cash Equivalents at Beginning of the Year	56,486,416	34,087,711
Cash and Cash Equivalents at End of the Year	(102,677,953)	56,486,416
<i>At the End</i>		
Cash in Hand	601,797	286,623
Cash at Bank	3,231,159	56,199,793
Bank Overdrafts	(106,510,908)	-
	(102,677,953)	56,486,416

The Significant Accounting Policies and Notes on pages 06 to 15 form an integral part of these financial



NAVAM LANKA LIMITED

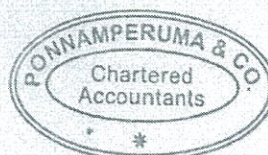
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2018

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01.04.2016	89,634,400	136,710,562	226,344,962
Profit for the year	-	122,214,701	122,214,701
Final Dividend paid - 2015/2016	-	(49,298,920)	(49,298,920)
Interim Dividend Paid -2016/2017	-	(71,707,520)	(71,707,520)
Balance as at 31st March 2017	89,634,400	137,918,823	227,553,223
Balance as at 01.04.2017	89,634,400	137,918,823	227,553,223
Profit for the year	-	182,605,226	182,605,226
Final Dividend Paid - 2016/2017	-	(67,225,800)	(67,225,800)
Interim Dividend Paid -2017/2018	-	(94,116,120)	(94,116,120)
Balance as at 31st March 2018	89,634,400	159,182,129	248,816,529

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes on pages 06 to 15 form an integral part of these financial statements.



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the Year Ended 31st March 2018.

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 April 2018.

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 2018 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

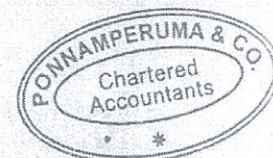
A) Sales of Goods

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 2018.

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

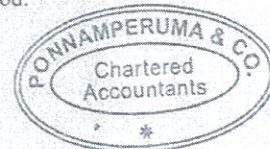
Lease in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to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



NAVAM LANKA LIMITED

NOTES TO THE ACCOUNTS (Contd....)

For The Year Ended 31st March 2018.

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 of 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

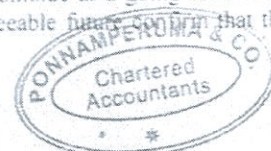
Employees are eligible for Employees' provident fund contribution and Employee' Trust Fund contribution in line with respective statutes and regulations. The Company contributes the defined percentage of gross emoluments of employees to an approved Employees' provident Fund and to the Employees' Trust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

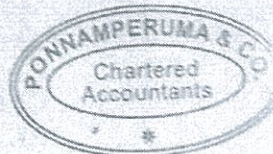


NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2018	2017
	Rs.	Rs.
3. Revenue		
Exports	1,232,820,461	843,517,649
Indirect export	51,052,487	27,080,583
Local sales	16,308,886	16,538,046
	<u>1,300,181,834</u>	<u>886,936,284</u>
4. Other Income		
Foreign Exchange Gain (Loss) -Net	-	763,571
Local Bill Discount	398,018	909,797
Ocean Freight- Export	-	271,054
Profit on disposal of Property, plant & equipment	-	90,742
	<u>398,018</u>	<u>2,034,564</u>
5. Administration Expenses		
Balance written-off	(5,907)	35,846
BOI ground rent	928,759	863,773
Bonus	510,467	570,720
Business promotion	413,132	330,089
Staff training	6,839	-
Safety Gear Expenses	1,239,708	976,278
Audit fees	155,000	140,554
Non-Audit charges	50,000	85,000
Depreciation	1,045,363	668,981
Employees Provident Fund	1,698,976	1,303,759
Employees Trust Fund	424,749	325,939
Expatriates salaries	12,673,917	11,062,049
Gratuity to employees	1,574,312	670,013
Guest house expenses	1,932,626	1,650,729
Secretarial fees	57,460	61,845
Stamp Duty	2,400	8,137
Cash Insurance expenses	-	11,490
ISO Expenses	433,363	90,890
Legal fees	52,245	9,700
Leave Encashment	996,672	979,048
Charity & Donation	10,000	46,855
Postage and courier	44,969	67,143
Printing and stationary	146,016	129,714
Security expenses	1,615,711	1,588,662
Staff salaries	4,927,960	2,471,169
Staff welfare	616,518	642,111
Telephone & communication	492,877	473,331
Traveling and conveyance	568,479	182,664
Foreign travelling & work visa	3,446,529	3,061,522
VAT charges (Disallowed input)	73,265	145,054
Nations Building Tax	326,178	365,232
Repair, maintenance IT equipment	22,600	53,027
Office Expenses	99,450	67,973
Mess Expenses	1,024,906	960,149
Inspection Charges, License Fee, Annual fee etc.	26,860	47,400
Consultancy fees	1,038,963	2,468,018
Discarded of property, plant & equipment	1,058,688	3,891,189
Advertisement	37,780	22,630
Repair, maintenance-Office, Guest House	34,878	111,513
	<u>39,802,706</u>	<u>36,647,220</u>

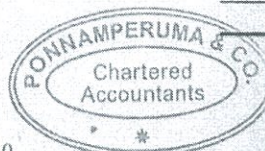
Note No.17



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2018 Rs.	2017 Rs.
6. Finance Expenses		
Foreign Exchange Loss (net)	3,463,904	-
Bank commission & interest for C.C. & L.C.	4,706,266	2,598,621
	<u>8,170,170</u>	<u>2,598,621</u>
7. Selling & Distribution expenses		
Insurance marine & other	935,970	495,202
Misc. export expenses (Destination, demurrage, loading . other exp etc.)	4,868,765	4,397,001
Rebate & Shortage -F.G	1,560,143	3,132,512
Sales Commission	8,719,770	18,131,111
Ocean Freight- Export	120,898	-
Vehicle maintenance	1,336,007	1,186,241
	<u>17,541,552</u>	<u>27,342,067</u>
8. Income Tax Expenses		
8.1 Major components of income tax expenses are as follows :		
Current tax expenses	23,963,502	15,805,095
	<u>23,963,502</u>	<u>15,805,095</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	206,568,728	138,019,796
Add: disallowable expenses	8,880,554	10,487,101
	215,449,282	148,506,897
Capital allowance & income from other sources	(15,753,430)	(16,797,770)
Taxable profit for the year	<u>199,695,852</u>	<u>131,709,127</u>
Tax Expenses for the year	<u>23,963,502</u>	<u>15,805,095</u>
8.3 Applicable Rate of Income Tax		
The tax liability of the company has been computed at	12%	12%
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:		
	2017/2018	2016/2017
Amounts used as the Numerator		
Net Profit/ (Loss) Attributable to Ordinary Shareholders	182,605,226	122,214,700
Amount used as the Denominator		
Weighted Average Number of Ordinary Shares in Issue	896,344	896,344
Basic Earnings Per Ordinary Share (Rs.)	<u>203.72</u>	<u>136.35</u>
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	<u>896,344</u>	<u>896,344</u>
9.2 Dividend Per Share	Rs.	Rs.
Dividend Paid		
Final Dividend - previous year	67,225,800	49,298,920
Interim Dividend - Current year	94,116,120	71,707,520
	<u>161,341,920</u>	<u>121,006,440</u>
Weighted Average Number of Ordinary Shares	896,344	896,344
Dividend per Share (Rs.)	<u>180.00</u>	<u>135.00</u>



NAVAM LANKA LIMITED

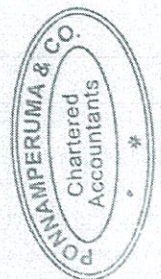
NOTES TO THE ACCOUNTS

As at 31st March 2018

10. Property, plant and equipment

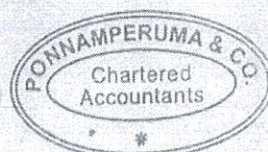
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Description of the Assets	Land & Site development	Factory Building	Plant & Machinery	Office Equipment	Computer	Furniture & Fixture	Computer Software	Motor vehicles	Total
Rate of Depreciation	-	3.33%	5.00%	20.00%	25.00%	20.00%	25.00%	10.00%	
As at 31.03.2016	715,805	48,953,716	65,828,561	1,175,980	714,251	899,786	-	6,049,176	124,337,275
Adjustments	-	(538,006)	1,075,798	(711,167)	(655,451)	(543,155)	-	(3,004,986)	(4,376,967)
Additions	-	-	6,897,207	435,610	77,940	77,453	411,505	-	7,899,715
Deductions	-	-	(5,866,116)	(146,798)	-	(80,147)	-	-	(6,093,062)
As at 31.03.2017	715,805	48,415,710	67,935,450	753,625	136,740	353,937	411,505	3,044,190	121,766,962
Tf from CWIP	-	-	1,175,224	-	-	-	-	-	1,175,224
Additions	-	-	7,669,719	371,159	13,700	238,993	-	7,995,102	16,288,673
Discarded/Disposal	-	-	(1,190,788)	(32,000)	-	-	-	-	(1,222,788)
As at 31.03.2018	715,805	48,415,710	75,589,605	1,092,784	150,440	592,929	411,505	11,039,292	138,008,071
Depreciation & Impairment									
As at 31.03.2016	-	21,682,112	22,740,296	298,216	698,565	884,713	-	4,107,458	50,411,360
Adjustments	-	(538,005)	680,726	(148,738)	(655,451)	(710,509)	-	(3,004,989)	(4,376,966)
Depreciation for the period	-	1,612,243	3,374,323	102,621	19,714	196,950	73,282	276,415	5,655,548
Deductions	-	-	(1,919,274)	(92,594)	-	(80,147)	-	-	(2,092,015)
As at 31.03.2017	-	22,756,350	24,876,071	159,505	62,828	291,007	73,282	1,378,884	49,597,927
Adjustments	-	-	-	-	-	-	-	-	-
Depreciation for the period	-	1,612,243	3,515,858	171,238	22,329	83,310	102,876	665,609	6,173,464
Discarded/Disposal	-	-	(145,794)	(18,305)	-	-	-	-	(164,100)
As at 31.03.2018	-	24,368,593	28,246,135	312,438	85,157	374,317	176,158	2,044,493	55,607,291
Net Book Value									
As at 31.03.2016	715,805	27,271,604	43,088,265	877,764	15,686	15,073	-	1,941,718	73,925,916
As at 31.03.2017	715,805	25,659,360	43,059,379	594,120	73,912	62,930	338,223	1,665,306	72,169,035
As at 31.03.2018	715,805	24,047,117	47,343,471	780,347	65,283	218,612	235,347	8,994,798	82,400,780



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

<i>As at 31st March</i>	2018	2017
	Rs.	Rs.
11. Inventory		
Raw material	40,795,001	15,212,480
Consumables	23,619,426	22,671,619
Work-in-progress	58,965,429	38,307,145
Finished goods	17,689,712	26,091,227
	<u>141,069,568</u>	<u>102,282,472</u>
12. Trade and other receivables		
Trade Receivable-Domestic	-	118,465
Trade Receivable-Foreign	153,930,248	27,679,855
Trade Receivable-Transit	-	(29,289,699)
Input VAT	-	10,886
VAT Refund receivable	4,683,528	2,794,060
	<u>158,613,777</u>	<u>1,313,567</u>
13. Deposits, prepayment and advances		
Refundable deposits	1,816,000	2,023,000
Prepaid expenses- Current	859,854	834,383
Prepaid Insurance	347,717	319,630
Advances	135,198	15,078,728
	<u>3,158,768</u>	<u>18,255,741</u>
13.1 Refundable Deposits		
Ceylon Electricity Board (Security deposit)	500,000	500,000
Security deposit to Vendor	1,316,000	1,523,000
	<u>1,816,000</u>	<u>2,023,000</u>
13.2 Advances		
Advance-Administration	60,044	31,994
Advance to Employees	5,000	11,633
Advance- Raw material supply	-	15,042,196
Advance from Customer- Domestic	-	(7,094)
Advance to vendor- pro. Service	70,154	-
	<u>135,198</u>	<u>15,078,728</u>
14.1 Cash in hand	601,797	286,623
	<u>601,797</u>	<u>286,623</u>
14.2 Cash at bank		
Seylan Bank - Rupee account	2,754,296	3,053,095
State Bank of India - SLR limit account	-	52,721,364
State Bank of India - LKR (FDR)	476,862	425,334
	<u>3,231,159</u>	<u>56,199,793</u>
	<u>3,832,956</u>	<u>56,486,416</u>



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March 2018

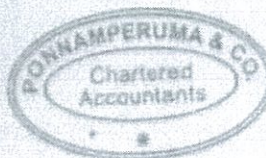
15. Stated Capital	As at 31.03.2018	As at 31.03.2017
Ordinary Shares	Nos.	Nos.
Number of Shares		
Balance as at 01st April	896,344	896,344
Balance as at 31st March	896,344	896,344
Value of Shares (Rs.)	Rs.	Rs.
Balance as at 01st April	89,634,400	89,634,400
Balance as at 31st March	89,634,400	89,634,400

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 31.03.2018	As at 31.03.2017
	Rs.	Rs.
For the year ended		
Balance brought forward	137,918,823	136,710,562
Net profit for the year	182,605,226	122,214,700
Dividend	(161,341,920)	(121,006,440)
	159,182,129	137,918,823

17. Retirement benefit obligation		
At beginning of the year	3,845,164	3,961,046
Charge for the year	1,574,312	670,015
	5,419,476	4,631,061
Paid during the year	(591,726)	(785,897)
At end of the year	4,827,750	3,845,164

18. Trade and other payables		
Trade creditors	569,626	1,470,852
Gravita India Limited	7,101,912	727,239
Trade Payables- Employee Payable Ac	20,631	(8,757)
Trade payable - Professional fees	41,067	-
Trade payables- Wages Ac	-	4,700
	7,733,236	2,194,033



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

<i>As at 31st March</i>		2018	2017
		Rs.	Rs.
19. Income Tax Payable			
Opening Balance		3,805,095	2,130,524
Provision for the year		23,963,502	15,805,095
		<u>27,768,598</u>	<u>17,935,619</u>
Payment during the year	2015/2016	-	(2,130,524)
	2016/2017	(3,805,095)	(12,000,000)
	2017/2018	(7,775,000)	-
Economic Service Charge Paid		(4,083,249)	-
Closing Balance		<u>12,105,254</u>	<u>3,805,095</u>
20. Accrued expenses			
Audit fees payable		155,000	140,554
Provision for Bonus		497,035	453,024
Provision for Administration Expenses		5,620,011	504,871
Provision for Sales Commission		-	9,485,582
Employees Provident Fund & Trust Fund Payable		229,929	202,861
Leave encashment		808,593	482,175
NBT payable		107,539	133,746
PAYE tax payable		25,871	15,350
Salaries and other payables		3,384,097	2,937,400
VAT Payable		-	270,349
Secretarial Charges Payable		48,960	-
GR/IR Clearing Account-Services		146,129	379,483
		<u>11,023,164</u>	<u>15,005,396</u>

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.

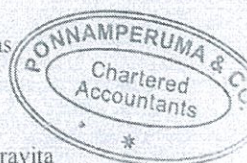
	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
Amounts used as the Numerator		
Total equity attributable to Equity Holders of the Company	248,816,529	227,553,223
Amount used as the Denominator		
Number of Ordinary Shares in issue as at the Balance Sheet date	896,344	896,344
Net Assets per Ordinary Share (Rs.)	<u>277.59</u>	<u>253.87</u>

22. Related Party Transaction

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

Mr. Rajat Agrawal and Mr. Rajeev Surana are directors of Navam Lanka Limited and also directors of Gravita India Limited

Name of Company	Sales	Purchase	Balance Dr.	Balance Cr.
Gravita India Limited	33,528,560	19,943,134	-	7,101,912



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March 2018

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

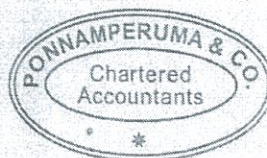
There have been no material events occurred between date of financial position and the date on which the financial statements are authorized for issues that require adjustments to or disclosure in the financial statements

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

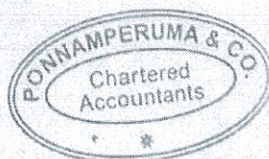
There were no commitments and contingencies as the date of Financial Position.



NAVAM LANKA LIMITED
SCHEDULE TO THE ACCOUNTS

For the year ended 31st March

	2018	2017
	Rs.	Rs.
Sch.01 Cost of sales		
Raw material		
Inventory - beginning of the year	15,212,480	29,615,665
Purchases	931,804,113	552,223,607
Inventory - end of the year	(40,795,001)	(15,212,480)
	<u>906,221,593</u>	<u>566,626,792</u>
Direct expenses Sch.01.(A)	19,231,537	17,204,517
Prime cost	<u>925,453,130</u>	<u>583,831,309</u>
Factory overheads Sch.01.(B)	28,777,007	33,207,697
Consumables		
Opening stock	22,671,619	16,620,070
Add : purchase	87,471,135	71,210,349
	<u>110,142,754</u>	<u>87,830,419</u>
Closing stock	(23,619,426)	(22,671,619)
	<u>86,523,328</u>	<u>65,158,800</u>
Works in progress - beginning of the year	38,307,145	38,579,299
Works in progress - end of the year	(58,965,429)	(38,307,145)
Cost of goods manufactured	<u>1,020,095,181</u>	<u>682,469,959</u>
Finished goods - beginning of the year	26,091,227	27,984,185
Finished goods - end of the year	(17,689,712)	(26,091,227)
Cost of sales	<u>1,028,496,696</u>	<u>684,362,917</u>
Sch. Direct expenses		
01.(A) Labor & wages	18,991,469	16,939,650
Production Incentives	18,750	22,500
Employees Provident Fund	173,054	193,892
Employees Trust Fund	48,264	48,475
	<u>19,231,537</u>	<u>17,204,517</u>
Sch. Factory overheads		
01.(B) Machinery, repairs and maintenance & Factory Repairs	13,370,731	16,373,656
Electricity	7,967,491	6,973,067
Medical Insurance	283,169	-
Labor welfare	1,513,464	4,129,590
Depreciation	5,128,101	4,986,566
Insurance - Factory	13,877	268,642
Water, packing material & other expenses	500,175	476,175
	<u>28,777,007</u>	<u>33,207,697</u>

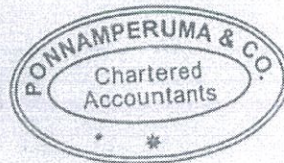


NAVAM LANKA LIMITED
SCHEDULE TO THE ACCOUNTS (Contd...)

As at 31st March 2018

Sch-02 Name of shareholders

Names	Country	as at 31.03.2018		as at 31.03.2017	
		No. of Shares	%	No. of Shares	%
1 Mr. Ramesh Agrawal	India	127,622	14.24%	127,622	14.24%
2 Mrs. Asha Mittal	India	78,403	8.75%	78,403	8.75%
3 M.Ed. Prakash Maheshwari	India	56,066	6.25%	56,066	6.25%
4 Mr. Mukesh Maheshwari	India	56,066	6.25%	56,066	6.25%
5 Mrs. Sunita Maheshwari	India	22,440	2.50%	22,440	2.50%
6 Mrs. Pushpa Devi Somani	India	56,066	6.25%	56,066	6.25%
7 Mr. Mahesh Somani	India	33,619	3.75%	33,619	3.75%
8 Gravita Netherlands B.V	Netherlands	466,062	52.00%	466,062	52.00%
		896,344	100.00%	896,344	100%



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

File No. : 134008717

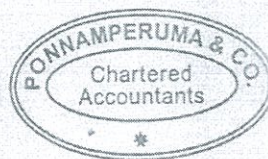
Nature of business : Export of ferrous and non-ferrous metal scraps

Constitution : Limited Liability Company.

Accounting period : 1st April 2017 to 31st March 2018

Year of assessment : 2017/2018

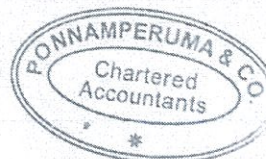
				Rs.
Net profit as per accounts				206,568,728
Add: disallowable expenses				
Gratuity provision			1,574,312	
Advertisement	37,780	25%	9,445	
Depreciation			6,173,464	
Legal fees			52,245	
Stamp Duty			2,400	
Loss on disposal of assets			1,058,688	
Charity and Donation			10,000	8,880,554
				<u>215,449,282</u>
Less: Capital allowance & income from other sources				
Gratuity payment			591,726	
Capital allowance		Annexure I	15,161,704	(15,753,430)
Taxable profit for the year				<u>199,695,852</u>
Income Tax	199,695,852	@ 12%		23,963,502
Income Tax paid			7,775,000	
ESC paid			4,083,249	(11,858,249)
Balance Tax Payable				<u>12,105,253</u>



NAVAM LANKA LIMITED
ANNEXURE TO THE TAX COMPUTATION
YEAR OF ASSESSMENT 2017/2018

I. Capital allowances

Assets	Rate	Cost	Unexpired Beginning	Allowance Claimed	Unexpired Ending
2017/18					
Plant & Machinery	33.33%	8,844,944	8,844,944	2,948,315	5,896,629
Office Equipment	33.33%	371,159	371,159	123,720	247,439
IT Equipment & Peripherals	25.00%	13,700	13,700	3,425	10,275
Furniture & Fixture	20.00%	238,993	238,993	47,799	191,194
Motor vehicles - TATA Truck	20.00%	3,081,522	3,081,522	616,304	2,465,217
		12,550,317	12,550,317	3,739,562	8,810,755
2016/17					
Plant & Machinery	33.33%	6,897,207	4,598,138	2,299,069	2,299,069
Office Equipment	33.33%	435,610	290,407	145,203	145,204
IT Equipment & Peripherals	25.00%	77,940	58,455	19,485	38,970
Furniture & Fixture	20.00%	77,453	61,962	15,491	46,471
Computer Software	50.00%	411,505	205,753	205,753	1
		7,899,715	5,214,715	2,685,000	2,529,715
2015/16					
Factory Building	6.67%	1,687,829	1,575,307	112,522	1,462,785
Plant & Machinery	33.33%	12,029,657	8,019,771	4,009,886	4,009,885
Office Equipment	33.33%	188,165	125,443	62,722	62,721
		13,905,650	9,720,521	4,185,129	5,535,392
2014/15					
Plant & Machinery	33.33%	601,660	200,594	200,594	(0)
Office Equipment	33.33%	(711,167)	452,265	(237,056)	689,321
Furniture & Fixture	20.00%	19,000	11,400	3,800	7,600
		(90,507)	664,258	(32,661)	696,920
2013/2014					
Plant & machinery	12.50%	579,743	362,339	72,468	289,871
Furniture & fittings	12.50%	9,700	6,063	1,213	4,851
Motor vehicles	20.00%	2,764,150	1,105,660	552,830	552,830
		3,353,593	1,474,062	626,510	847,552
2012/2013					
Forklift	12.5%	2,454,500	1,227,250	306,813	920,438
Tools & equipment	12.5%	3,102,999	1,551,499	387,875	1,165,624
		5,557,499	2,778,749	694,687	2,084,062
2011/2012					
Tools & equipment	12.50%	7,749	3,027	969	2,058
Bricks Cutting Machine	12.50%	11,500	4,493	1,438	3,056
Mobile Phone Noka 1202	12.50%	19,247	7,518	2,406	5,112
		38,496	15,038	4,812	10,226
2010/2011					
Spectrometer Q8 Magellan	12.5%	7,055,508	1,763,877	881,938	881,939
Ingots Casting Machine	12.5%	1,828,010	457,002	228,501	228,501
Packing Machine	12.5%	77,887	19,471	9,736	9,735
Refining Pot - Lead Alloy	12.5%	3,093,394	773,348	386,674	386,674
IKE 410 Telephone System	12.5%	32,000	8,000	4,000	4,000
Mobile Phone Noka 1202	12.5%	3,300	826	413	414
		12,090,099	3,022,524	1,511,262	1,511,262
2009/2010					
Building	6.67%	712,558	380,031	47,504	332,527
Factory boundary wall	6.67%	26,772	14,272	1,786	12,486
Blast furnace equipment	12.5%	197,188	24,649	24,649	-
Battery cutting machine	12.5%	106,868	13,359	13,359	-
Telephone instruments	12.5%	2,710	339	339	-
Toshiba photo copier	12.5%	115,000	14,375	14,375	-
		1,161,096	447,024	102,012	345,013



NAVAM LANKA LIMITED

DIVIDEND DISTRIBUTION & DIVIDEND TAX

YEAR OF ASSESSMENT 2017/2018

Profit before Tax (2016/2017)	138,019,796
Income Tax	(15,805,095)
Profit /(Loss) after Tax	122,214,701
Add : Depreciation on Assets acquired during the year	216,260
Less : Capital assets acquired during the year	(7,899,715)
Distributable Profit/(Loss)	114,531,245
10% Distribution	11,453,125
Actual Distribution	(138,933,320)
10% Dividend Tax	(13,893,332)
33.33% Distribution	-
15% Tax on Distributable Profit	-

