

NAVAM LANKA LIMITED

FINANCIAL STATEMENTS

31ST MARCH 2019

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PONNAMPERUMA & CO.

Chartered Accountants

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Navam Lanka Limited (the Company), which comprise the statement of financial position as at March 31, 2019, 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, 2019, 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.

Report on Other Legal and Regulatory Requirements

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



PONNAMPERUMA & Co.

Chartered Accountants

Colombo.

14th May 2019



NAVAM LANKA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March

	Note	2019 Rs.	2018 Rs.
Revenue	3	1,424,466,522	1,300,181,834
Cost of Sales		(1,125,332,141)	(1,028,496,696)
Gross profit		299,134,381	271,685,138
Other Income	4	13,750,352	403,927
		312,884,733	272,089,065
Administration Expenses	5	(48,594,752)	(39,808,615)
Finance Expenses	6	(11,695,094)	(8,170,170)
Selling & Distribution expenses	7	(14,802,659)	(17,541,552)
Profit Before Taxation		237,792,229	206,568,728
Income Tax Expenses	8	(32,919,304)	(23,963,502)
Net Profit for the year from Continuing Operations		204,872,925	182,605,225
Other Comprehensive Income		-	-
Total Comprehensive Income / (Expense) for the year		204,872,925	182,605,225
Basic Earnings/(Loss) Per Ordinary Share (Rs.)	9.1	228.57	203.72
Dividend Per Ordinary Share (Rs.)	9.2	225.00	180.00

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes on pages 07 to 16 form an integral part of these financial statements.



NAVAM LANKA LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,

	Note	2019 Rs.	2018 Rs.
Assets			
Non Current Assets			
Property, Plant and Equipment	10	83,090,216	82,400,780
Capital Work in Progress		18,041,529	1,940,992
		101,131,745	84,341,772
Current Assets			
Inventories	11	161,178,716	141,069,568
Trade and other receivables	12	133,995,024	158,613,777
Deposit, prepayments and advances	13	3,829,248	3,158,768
Cash & Cash Equivalent	14	3,957,302	3,832,956
		302,960,291	306,675,068
Total Assets		404,092,035	391,016,841
Equity and Liabilities			
Stated Capital	15	89,634,400	89,634,400
Retained Earnings	16	162,377,653	159,182,128
		252,012,053	248,816,528
Liabilities			
Non-current Liabilities			
Retirement benefit obligations	17	6,266,126	4,827,750
		6,266,126	4,827,750
Current Liabilities			
Trade and other payables	18	15,232,428	7,733,236
Income Tax Payable	19	14,343,319	12,105,254
Accrued expenses	20	11,174,064	11,023,164
Bank Overdrafts - State Bank of India		105,064,045	106,510,908
		145,813,855	137,372,562
Total equity and liabilities		404,092,035	391,016,842
Net Assets per Ordinary Share	21	281.16	277.59

The Significant Accounting Policies and Notes on pages 07 to 16 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)

14th May 2019

.....
(Director)



NAVAM LANKA LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2019

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01.04.2017	89,634,400	137,918,823	227,553,223
Profit for the year	-	182,605,225	182,605,225
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	159,182,128	248,816,529
Balance as at 01.04.2018	89,634,400	159,182,128	248,816,529
Profit for the year	-	204,872,925	204,872,925
1st Interim Dividend Paid -2018/2019	-	(89,634,400)	(89,634,400)
2nd Interim Dividend Paid - 2018/2019	-	(112,043,000)	(112,043,000)
Balance as at 31st March 2019	89,634,400	162,377,653	252,012,054

Figures in brackets indicate deductions.

The Significant Accounting Policies and Notes on pages 07 to 16 form an integral part of these financial statements.



NAVAM LANKA LIMITED
STATEMENT OF CASH FLOW

For the year ended 31st March

	2019	2018
	Rs.	Rs.
Cash flow from operating activities		
Net profit before taxation	237,792,229	206,568,728
<i>Adjustment for,</i>		
Depreciation	7,199,149	6,173,464
Discarded of Machineries	4,190,788	1,058,688
Gratuity provision	1,438,374	1,574,312
Interest expenses	6,922,194	4,706,266
Operating profit before working capital changes	257,542,734	220,081,459
(Increase) /decrease in inventories	(20,109,148)	(38,787,096)
(Increase) /decrease in trade and other receivables	24,618,753	(157,300,210)
(Increase) /decrease in deposits and prepayments	(670,480)	15,096,973
Increase /(decrease) in trade and other payables	7,650,091	1,556,970
Cash flow generated from operations	269,031,950	40,648,096
Tax paid	(30,681,239)	(15,663,344)
Interest paid	(6,922,194)	(4,706,266)
Gratuity Paid	-	(591,726)
Net cash flow from operating activities	231,428,517	19,686,760
Cash flow from investing activities		
Acquisition of property, plant and equipment	(12,201,111)	(16,288,673)
Sale proceeds on disposal of property, plant & equipment	121,739	-
Capital Work in Progress	(16,100,537)	(1,220,535)
Net cash used in investing activities	(28,179,909)	(17,509,208)
Cash flow from financing activities		
Payment of dividend	(201,677,400)	(161,341,920)
Net cash used in financing activities	(201,677,400)	(161,341,920)
Net Increase / (Decrease) in Cash and Cash Equivalents	1,571,210	(159,164,369)
Cash and Cash Equivalents at Beginning of the Year	(102,677,953)	56,486,416
Cash and Cash Equivalents at End of the Year	(101,106,744)	(102,677,953)
<i>At the End</i>		
Cash in Hand	653,032	601,797
Cash at Bank	3,304,270	3,231,159
Bank Overdrafts	(105,064,045)	(106,510,908)
	(101,106,744)	(102,677,953)

The Significant Accounting Policies and Notes on pages 07 to 16 form an integral part of these financial statements.



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the Year Ended 31st March 2019.

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 02nd May 2019.

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 2019 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 2019.

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.



For The Year Ended 31st March 2019.

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 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 assessed 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

<i>For the year ended 31st March</i>		2019	2018
		Rs.	Rs.
3. Revenue			
Exports		1,200,765,128	1,232,820,461
Indirect export		206,801,710	51,052,487
Local sales		16,899,684	16,308,886
		1,424,466,522	1,300,181,834
4. Other Income			
Foreign Exchange Gain -Net		8,082,309	-
Local Bill Discount		-	398,018
Reversal of provision - Rebate & Shortage -F.G		4,692,655	-
Miscellaneous Income		975,388	5,909
		13,750,352	403,927
5. Administration Expenses			
BOI ground rent		1,007,404	928,759
Bonus		473,113	510,467
Business promotion		442,865	413,132
Staff training		3,000	6,839
Safety Gear Expenses		1,502,455	1,239,708
Audit fees		170,500	155,000
Non-Audit charges		91,818	50,000
Depreciation		1,485,660	1,045,363
Employees Provident Fund		1,940,032	1,698,976
Employees Trust Fund		483,962	424,749
Expatriates salaries		19,167,794	12,673,917
Gratuity to employees	Note No.17	1,438,374	1,574,312
Guest house expenses		1,674,541	1,932,626
Secretarial fees		-	57,460
Stamp Duty		-	2,400
ISO Expenses		-	433,363
Legal fees		52,190	52,245
Leave Encashment		1,172,041	996,672
Charity & Donation		937,000	10,000
Postage and courier		40,681	44,969
Printing and stationary		167,449	146,016
Security expenses		1,607,076	1,615,711
Staff salaries		3,057,766	4,927,960
Staff welfare		594,147	616,518
Telephone & communication		433,763	492,877
Traveling and conveyance		2,764,767	568,479
Foreign travelling & work visa		355,657	3,446,529
VAT charges (Disallowed input)		5,797	73,265
Nations Building Tax		337,996	326,178
Repair, maintenance IT equipment		37,275	22,600
Office Expenses		148,639	99,450
Mess Expenses		1,067,470	1,024,906
Inspection Charges, License Fee, Annual fee etc.		1,031,439	26,860
Consultancy fees		648,488	1,038,963
Loss on Discarded of property, plant & equipment		4,190,788	1,058,688
Advertisement		-	37,780
Repair, maintenance-Office, Guest House		62,803	34,878
		48,594,752	39,808,615



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

For the year ended 31st March

	2019	2018
	Rs.	Rs.
6. Finance Expenses		
Foreign Exchange Loss (net)	4,772,900	3,463,904
Bank commission & interest for C.C. & L.C.	6,922,194	4,706,266
	11,695,094	8,170,170
7. Selling & Distribution expenses		
Insurance marine & other	863,364	935,970
Misc. export expenses (Destination, demurrage, loading , other exp etc.)	5,464,414	4,868,765
Rebate & Shortage -F.G	-	1,560,143
Sales Commission	6,587,131	8,719,770
Ocean Freight- Export	476,332	120,898
Vehicle maintenance	1,411,418	1,336,007
	14,802,659	17,541,552
8. Income Tax Expenses		
8.1 Major components of income tax expenses are as follows :		
Current tax expenses	32,919,304	23,963,502
	32,919,304	23,963,502
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	237,792,229	206,568,728
Add: disallowable expenses	13,817,501	8,880,554
	251,609,730	215,449,282
Capital allowance & income from other sources	-	(15,753,430)
Taxable profit for the year	251,609,730	199,695,852
Tax Expenses for the year	35,225,362	23,963,502
8.3 Applicable Rate of Income Tax		
The tax liability of the company has been computed at	14%	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:		
	2018/2019	2017/2018
Amounts used as the Numerator		
Net Profit/ (Loss) Attributable to Ordinary Shareholders	204,872,925	182,605,226
Amount used as the Denominator		
Weighted Average Number of Ordinary Shares in Issue	896,344	896,344
Basic Earnings Per Ordinary Share (Rs.)	228.57	203.72
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		
Final Dividend - previous year	112,043,000	67,225,800
Interim Dividend - Current year	89,634,400	94,116,120
	201,677,400	161,341,920
Dividend per Share (Rs.)	225.00	180.00



As at 31st March 2019

10. Property, plant and equipment

"Rs."

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 31.03.2017	715,805	48,415,710	67,935,450	753,625	136,740	353,937	411,505	3,044,190	121,766,962
Trf from CWIP	-	-	1,175,224	-	-	-	-	-	1,175,224
Additions	-	-	7,669,719	371,159	13,700	238,993	-	7,995,102	16,288,673
Deductions	-	-	(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
Trf from CWIP	-	-	-	-	-	-	-	-	-
Additions	-	17,350	12,039,227	127,537	-	16,997	-	-	12,201,111
Discarded/Disposal	-	-	(9,384,580)	-	-	(1,267)	-	-	(9,385,846)
As at 31.03.2019	715,805	48,433,060	78,244,252	1,220,321	150,440	608,659	411,505	11,039,292	140,823,336
Depreciation & Impairment									
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	6,173,463
Deductions	-	-	(145,794)	(18,305)	-	-	-	-	(164,099)
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
Adjustments	-	-	-	-	-	-	-	-	-
Depreciation for the period	-	1,612,302	4,101,186	231,891	22,910	52,058	102,876	1,075,925	7,199,149
Discarded/Disposal	-	-	(5,072,052)	-	-	(1,267)	-	-	(5,073,319)
As at 31.03.2019	-	25,980,895	27,275,269	544,329	108,067	425,108	279,034	3,120,418	57,733,120
Net Book Value									
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	47,343,470	780,346	65,283	218,612	235,347	8,994,799	82,400,780
As at 31.03.2019	715,805	22,452,165	50,968,983	675,992	42,373	183,551	132,470	7,918,874	83,090,216

NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

<i>As at 31st March</i>		2019	2018
		Rs.	Rs.
11. Inventory			
Raw material		22,294,714	40,795,001
Consumables		34,555,975	23,619,426
Work-in-progress		54,620,236	58,965,429
Finished goods		49,707,791	17,689,712
		161,178,716	141,069,568
12. Trade and other receivables			
Trade Receivable-Domestic		19,654,346	-
Trade Receivable-Foreign		16,867,415	153,930,248
Trade Receivable-Group Company-Export		92,747,734	-
VAT Refund receivable		4,725,528	4,683,528
		133,995,024	158,613,777
13. Deposits, prepayment and advances			
Refundable deposits	Note 13.1	1,696,500	1,816,000
Prepaid expenses- Current		1,476,032	859,854
Prepaid Insurance		340,216	347,717
Advances	Note 13.2	316,500	135,198
		3,829,248	3,158,768
13.1 Refundable Deposits			
Ceylon Electricity Board (Security deposit)		500,000	500,000
Security deposit to Vendor		1,196,500	1,316,000
		1,696,500	1,816,000
13.2 Advances			
Advance-Administration		30,000	60,044
Advance- Staff Salary		22,500	-
Advance - Labour		5,000	-
Advance to Employees		259,000	5,000
Advance to vendor- pro. Service		-	70,154
		316,500	135,198
14.1 Cash in hand		653,032	601,797
14.2 Cash at bank			
Seylan Bank - Rupee account		2,655,487	2,754,296
State Bank of India - LKR (FDR)		648,783	476,862
		3,304,270	3,231,159
		3,957,302	3,832,956



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March 2019

15. Stated Capital	As at 31.03.2019	As at 31.03.2018
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
<p>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.</p>		
16. Retained Earnings	As at 31.03.2019	As at 31.03.2018
	Rs.	Rs.
For the year ended		
Balance brought forward	159,182,128	137,918,823
Net profit for the year	204,872,925	182,605,225
Dividend	(201,677,400)	(161,341,920)
	162,377,653	159,182,128
17. Retirement benefit obligation		
At beginning of the year	4,827,750	3,845,164
Charge for the year	1,438,374	1,574,312
	6,266,126	5,419,476
Paid during the year	-	(591,726)
At end of the year	6,266,126	4,827,750
18. Trade and other payables		
Trade creditors	12,132,241	569,626
Gravita India Limited	3,038,312	7,101,912
Trade Payables- Employee Payable Ac	-	20,631
Trade payable - Professional fees	58,875	41,067
Withholding Tax Payable	3,000	-
	15,232,428	7,733,236



NAVAM LANKA LIMITED
NOTES TO THE ACCOUNTS

As at 31st March

		2019	2018
		Rs.	Rs.
19. Income Tax Payable			
Opening Balance		12,105,254	3,805,095
Provision for the year		32,919,304	23,963,502
		45,024,558	27,768,598
Payment during the year			
	2016/2017	-	(3,805,095)
	2017/2018	(9,687,592)	(7,775,000)
	2018/2019	(8,661,170)	-
Economic Service Charge Paid			
	2016/2017	(4,432,855)	(4,083,249)
	2017/2018	(2,417,661)	
	2018/2019	(5,481,961)	
Closing Balance		14,343,319	12,105,254
20. Accrued expenses			
Audit fees payable		170,500	155,000
Provision for Bonus		546,625	497,035
Provision for Administration Expenses		813,128	5,620,011
Provision for Sales Commission		2,177,870	-
Employees Provident Fund & Trust Fund Payable		-	229,929
Leave encashment		476,778	808,593
NBT payable		2,912	107,539
PAYE tax payable		-	25,871
Salaries and other payables		6,746,473	3,384,097
VAT Payable		4,647	-
Secretarial Charges Payable		-	48,960
GR/IR Clearing Account-Services		235,131	146,129
		11,174,064	11,023,164

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 252,012,053 248,816,528

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.) **281.16** **277.59**

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	228,781,740	37,435,950	92,747,734	3,038,312



As at 31st March 2019

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

		2019	2018
		Rs.	Rs.
Sch.01	Cost of sales		
	Raw material		
	Inventory - beginning of the year	40,795,001	15,212,480
	Purchases	964,231,927	931,804,113
	Inventory - end of the year	(22,294,714)	(40,795,001)
		982,732,214	906,221,593
	Direct expenses	22,311,495	19,231,537
	Prime cost	1,005,043,709	925,453,130
	Factory overheads	37,658,070	28,777,007
	Consumables		
	Opening stock	23,619,426	22,671,619
	Add : purchase	121,239,797	87,471,135
		144,859,223	110,142,754
	Closing stock	(34,555,975)	(23,619,426)
		110,303,248	86,523,328
	Works in progress - beginning of the year	58,965,429	38,307,145
	Works in progress - end of the year	(54,620,236)	(58,965,429)
	Cost of goods manufactured	1,157,350,220	1,020,095,181
	Finished goods - beginning of the year	17,689,712	26,091,227
	Finished goods - end of the year	(49,707,791)	(17,689,712)
	Cost of sales	1,125,332,141	1,028,496,696
Sch.	Direct expenses		
	01.(A) Labor & wages	21,952,450	18,991,469
	Production Incentives	-	18,750
	Employees Provident Fund	294,753	173,054
	Employees Trust Fund	64,292	48,264
		22,311,495	19,231,537
Sch.	Factory overheads		
	01.(B) Machinery, repairs and maintenance & Factory Repairs	21,304,326	13,370,731
	Electricity	7,987,323	7,967,491
	Medical Insurance	282,936	283,169
	Labor welfare	1,567,925	1,513,464
	Depreciation	5,713,488	5,128,101
	Insurance - Factory	257,432	13,877
	Water, packing material & other expenses	544,640	500,175
		37,658,070	28,777,007



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

As at 31st March 2019

Sch.02

Discarded of property, plant & equipment

Description	Cost	Acc. Depn	N.B.V	Sale Proceeds	Loss
Fork Lift	654,500	301,073	353,427	121,739	231,688
Refining Kettle 25 MT	380,099	189,971	190,128	-	190,128
Furnace Charging Machine	7,673,365	4,496,570	3,176,794	-	3,176,794
PP Crusher Machine - 2	676,616	84,438	592,178	-	592,178
Stools - Plastic	633	633	-	-	-
Stools - Plastic	633	633	-	-	-
	9,385,846	5,073,319	4,312,527	121,739	4,190,788

Sch-03 Name of shareholders

Names	Country	as at 31.03.2019		as at 31.03.2018	
		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 2018 to 31st March 2019

Year of assessment : 2018/2019

			Rs.
Net profit as per accounts			237,792,229
Add: disallowable expenses			
Gratuity provision		1,438,374	
Depreciation		7,199,149	
Legal fees		52,190	
Loss on disposal of assets		4,190,788	
Charity and Donation		937,000	
		<u>13,817,501</u>	
			251,609,730
Less: Capital allowance & income from other sources			
Capital allowance	Annexure I	16,471,848	
Taxable Loss on Disposals		<u>-</u>	(16,471,848)
Taxable profit for the year			<u>235,137,882</u>
Income Tax	235,137,882	@ 14%	32,919,304
Tax Credits			
Income Tax paid	Date	Amount	
	14/08/2018	4,405,000	
	12/11/2018	4,040,760	
	13/02/2019	<u>215,410</u>	8,661,170
ESC paid	16/07/2018	1,889,686	
	15/10/2018	1,950,118	
	16/01/2019	1,642,157	
2016/2017	17/12/2018	4,432,855	
	19/04/2018	<u>2,417,661</u>	12,332,478
			(20,993,648)
Balance Tax Payable			<u>11,925,656</u>



NAVAM LANKA LIMITED
ANNEXURE TO THE TAX COMPUTATION
YEAR OF ASSESSMENT 2018/2019

I. Capital allowances

Assets	Rate	Cost	Unexpired Beginning	Allowance Claimed	Unexpired Ending
2018/2019					
Plant & Machinery	5%	17,350	17,350	868	16,483
Building & Factory	20%	12,039,227	12,039,227	2,407,845	9,631,382
Office Equipment	20%	127,537	127,537	25,507	102,030
Furniture & Fixture	20%	16,997	16,997	3,399	13,598
		12,201,111	12,201,111	2,437,620	9,763,491
2017/18					
Plant & Machinery	33.33%	12,039,227	8,026,151	4,013,076	4,013,075
Office Equipment	33.33%	371,159	247,439	123,720	123,719
IT Equipment & Peripherals	25.00%	13,700	10,275	3,425	6,850
Furniture & Fixture	20.00%	16,997	13,598	3,399	10,199
Motor vehicles - TATA Truck	20.00%	3,081,522	2,465,217	616,304	1,848,913
		15,522,605	10,762,680	4,759,924	6,002,756
2016/17					
Plant & Machinery	33.33%	6,897,207	2,299,069	2,299,069	-
Office Equipment	33.33%	435,610	145,204	145,203	1
IT Equipment & Peripherals	25.00%	77,940	38,970	19,485	19,485
Furniture & Fixture	20.00%	77,453	46,471	15,491	30,980
Computer Software	50.00%	411,505	-	-	-
		7,899,715	2,529,714	2,479,248	50,466
2015/16					
Factory Building	6.67%	1,687,829	1,462,785	112,522	1,350,263
Plant & Machinery	33.33%	11,353,041	3,784,301	3,784,301	0
Office Equipment	33.33%	188,165	62,721	62,721	0
		13,229,034	5,309,807	3,959,543	1,350,264
2014/15					
Plant & Machinery	33.33%	601,660	-	-	-
Office Equipment	33.33%	-	452,265	-	452,265
Furniture & Fixture	20.00%	19,000	7,600	3,800	3,800
		620,660	459,864	3,800	456,065
2013/2014					
Plant & machinery	12.50%	579,743	289,871	72,468	217,403
Furniture & fittings	12.50%	8,433	4,218	1,054	3,164
Motor vehicles	20.00%	2,764,150	552,830	552,830	-
		3,352,326	846,919	626,352	220,567
2012/2013					
Forklift	12.5%	1,800,000	675,001	225,000	450,001
Tools & equipment	12.5%	2,722,900	1,021,087	340,362	680,724
		4,522,900	1,696,087	565,362	1,130,725
2011/2012					
Tools & equipment	12.50%	7,749	2,058	969	1,089
Bricks Cutting Machine	12.50%	11,500	3,056	1,438	1,619
Mobile Phone Noka 1202	12.50%	19,247	5,112	2,406	2,706
		38,496	10,226	4,812	5,414
2010/2011					
Spectrometer Q8 Magellan	12.5%	7,055,508	881,939	881,939	(0)
Ingots Casting Machine	12.5%	1,828,010	228,501	228,501	(0)
Packing Machine	12.5%	77,887	9,735	9,735	0
Refining Pot - Lead Alloy	12.5%	3,093,394	386,674	386,674	(0)
IKE 410 Telephone System	12.5%	32,000	4,000	4,000	-
Mobile Phone Noka 1202	12.5%	3,300	414	414	-
		12,090,099	1,511,263	1,511,263	(1)
2009/2010					
Building	6.67%	712,558	332,527	47,504	285,023
Factory boundary wall	6.67%	26,772	12,486	1,786	10,700
Blast furnace equipment	12.5%	197,188	-	-	-
Battery cutting machine	12.5%	106,868	-	-	-
Telephone instruments	12.5%	2,710	-	-	-
Toshiba photo copier	12.5%	115,000	-	-	-
		1,161,096	345,012	49,290	295,723



Assets	Rate	Cost	Unexpired Beginning	Allowance Claimed	Unexpired Ending
Assets	Rate	Cost	Unexpired Beginning	Allowance Claimed	Unexpired Ending
<u>2008/2009</u>					
PVC separator washing shed	6.67%	123,541	49,929	8,240	41,689
		<u>123,541</u>	<u>49,930</u>	<u>8,240</u>	<u>41,689</u>
<u>2007/2008</u>					
Crusher & Powder shed	6.67%	230,781	76,912	15,393	61,519
Factory Boundary wall - New	6.67%	84,646	29,291	5,646	23,645
Slag Shed	6.67%	607,333	210,168	40,509	169,659
		<u>922,760</u>	<u>316,371</u>	<u>61,548</u>	<u>254,823</u>
<u>2004/2005</u>					
Building	6.67%	60,000	8,000	4,000	4,000
		<u>60,000</u>	<u>8,000</u>	<u>4,000</u>	<u>4,000</u>
<u>2003/2004</u>					
Building	6.67%	12,670	844	844	0
		<u>12,670</u>	<u>844</u>	<u>844</u>	<u>0</u>
<u>2003/2004</u>					
Building	6.67%	23,561,346	-	-	-
		<u>23,561,346</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL		<u><u>95,318,359</u></u>	<u><u>36,047,829</u></u>	<u><u>16,471,848</u></u>	<u><u>19,575,983</u></u>

