RANBAXY NIGERIA LIMITED

LAGOS, NIGERIA
REPORT OF THE DIRECTORS
AND
AUDITED FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2014

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CORPORATE INFORMATION

DIRECTORS:	Olaogun Badru Atanda	Chairman
	Mahendra Bharadwaj (Indian)	Vice Chairman Appointed 17 Dec. 2013
	Bhupendra Singh (Indian)	Managing Director Appointed 17 Dec. 2013
	Kapoor Dinesh (Indian)	Resigned 17 December 2013
	Samson Yomi Osewa	
	Dani Sanjeev Indravadan (Indian)	Resigned 17 December 2013
	Malhotra Ashwani Kumar (Indian)	
	Singh Gursharan (Indian)	Resigned 17 December 2013
	Madan Ashish (Indian)	
	Banerjee Indrajit (Indian)	

REGISTERED OFFICE: Western House (15th Floor)
8/10, Broad Street,
Lagos

ADMINISTRATIVE HEAD OFFICE: Abimbola House (2nd Floor)
24, Abimbola Street
Isolo, Lagos

AUDITORS: Ernst and Young
(Chartered Accountants)
2A Bayo Kuku Road
Off Alfred Rewane Road
Ikoyi, Lagos.

LEGAL ADVISER: Badru Olaogun & Co
Western House (15th Floor)
8/10, Broad Street
Lagos

PRINCIPAL BANKERS: Diamond Bank Plc
Wema Bank Plc
Zenith Bank Plc
Standard Chartered Bank Plc

The directors have the pleasure in presenting their report and the audited financial statements of Ranbaxy Nigeria Limited for the fifteen months ended 31 March 2014.

Principal activities

The company was incorporated in Nigeria as a limited liability company on 12 May 1987 under the name Ranmax Laboratories Nigeria Limited. The name was changed to Ranbaxy Nigeria Limited at an extra ordinary general meeting held on 6 October 1995. The principal activities of the Company continue to be the manufacture, importation and sale of pharmaceutical products in Nigeria.

State of affairs

In the opinion of the directors, the state of the Company's affairs is satisfactory and there has been no material change since the reporting date, which would affect the financial statements as presented.

Results of operations

	For the fifteen months endec March 2014
	₦000
Revenue	3,948,119
Profit before tax	545,163
Taxation	(164,637)
Profit after tax	380,526

Results of operations

	For the fifteen months endec March 2014
	INR'000
Revenue	1,464,382
Profit before tax	202,204
Taxation	(61,065)
Profit after tax	141,139

Directors' interest in shares

The directors that served during the year together with their interest in the issued share capital of the Company at the period end were as follows:

	2014 Number of shares	2012 Number of shares
Olaogun Badru Atanda	684,104	684,104
Bhupendra Singh (Indian)	-	-
Mahendra Bharadwaj (Indian)	-	-
Kapoor Dinesh (Indian)	-	-
Samson Yomi Osewa	-	-
Dani Sanjeev Indravadan (Indian)	-	-
Malhotra Ashwani Kumar (Indian)	-	-
Singh Gursharan (Indian)	-	-
Madan Ashish (Indian)	-	-
Banerjee Indrajit (Indian)	-	-

Analysis of shareholding
The names of significant shareholders and their allotted holding at the period-end were as follows:

Shareholders	%	No of ordinary Shares of N1each	Amounts(₦)
Ranbaxy (Netherlands) B.V	52.63	21,052,302	21,052,302
Ranbaxy Laboratories Limited, India	32.68	13,070,648	13,070,648
Individual shareholders	14.69	5,877,050	5,877,050
	100.00	40,000,000	40,000,000

Analysis of shareholding
The names of significant shareholders and their allotted holding at the period-end were as follows:

Shareholders	%	No of ordinary Shares of N1each	Amounts(INR)
Ranbaxy (Netherlands) B.V	52.63	21,052,302	8,078,087
Ranbaxy Laboratories Limited, India	32.68	13,070,648	5,015,405
Individual shareholders	14.69	5,877,050	2,255,113
	100.00	40,000,000	15,348,605

Apart from Ranbaxy laboratory Group that jointly holds 85.31% of the issued share capital; no other shareholder held 5% or more of the issued share capital of the Company as at 31 March 2014.

Directors' interest in contracts
None of the directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any disclosable interest in contracts with which the Company is involved as at 31 March 2014.

Employment and Employees

Employment of disabled persons

The Company does not discriminate in considering applications for employment from physically challenged persons. All employees, whether or not physically challenged, are given equal opportunities to develop their experience and knowledge and qualify for promotion in furtherance of their careers. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees. The Company had no physically challenged person in its employment as at 31 March 2014.

Health, safety and welfare of employees at work

The Company takes the health, safety and welfare of its employees very seriously, with a strong conviction that a healthy workforce will always be highly productive and will deliver superior performance at all times. The Company also has various forms of insurance policies to adequately secure and protect its employees.

Employees' consultation and training

The Company places considerable value on the involvement of its employees and has continued the practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.
The Company has in-house training facilities, complemented, when and where necessary, with external and overseas training for its employees. This has broadened opportunities for career development within the organization.

Auditors
Ernst & Young have indicated their willingness to continue in office as the Company's auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

BY ORDER OF THE BOARD

COMPANY SECRETARY

LAGOS, NIGERIA

23 May 2014

RANBAXY NIGERIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2014

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and in the manner required by Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act, No 6, 2011.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the fifteen months ended 31 March 2014. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Bhupendra Singh	CHF. B.A.Qlaogun
Director's name	**Director's name**
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Signature	**Signature**

23 May 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RANBAXY NIGERIA LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Ranbaxy Nigeria Limited, which comprise the statement of financial position as at 31 March 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the fifteen months period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, provisions of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council Act, No 6 2011, and for such internal control as the directors determines necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ranbaxy Nigeria Limited as at 31 March 2014, and of its financial performance and its cash flows for the fifteen months then ended in accordance with the International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council Act, No 6 2011.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RANBAXY NIGERIA LIMITED - continued

Report on other legal and regulatory requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and

iii. the company's statement of financial position and statement of profit or loss and other comprehensive Income are in agreement with the books of account.

Yemi Odutola
For Ernst & Young
Lagos, Nigeria
FRC/2012/ICAN/00000000141

23 May 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2014

	Notes	15 months to 31 March 2014 ₦'000	12 months to 31 December 2012 ₦'000
Revenue	5	3,948,119	3,461,396
Cost of sales		(2,415,822)	(2,173,300)
Gross profit		**1,532,297**	**1,288,096**
Other Income	6	60,355	52,467
Selling and distribution expenses	7	(361,696)	(331,889)
Administrative expenses	8	(707,993)	(803,268)
Operating profit		**522,963**	**205,406**
Finance income	9	22,200	30,390
Profit before tax		**545,163**	**235,796**
Income tax expense	10a	(164,637)	(84,898)
Profit for the period/year		**380,526**	**150,898**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain on defined benefit plan		3,462	-
Income tax effect		(1,039)	-
Other comprehensive income for the period/year		**2,423**	-
Total comprehensive income for the period/year		**382,949**	150,898
Basic Earnings per share (₦)	11	9.51	3.77

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2014

	Notes	15 months to 31 March 2014 INR'000	12 months to 31 December 2012 INR'000
Revenue	5	1,464,382	1,165,453
Cost of sales		896,043	(737,451)
Gross profit		**568,338**	**433,702**
Other Income	6	22,386	17,666
Selling and distribution expenses	7	(134,155)	(111,747)
Administrative expenses	8	(262,599)	(270,461)
Operating profit		**193,970**	**69,160**
Finance income	9	8,234	10,232
Profit before tax		**202,204**	**79,393**
Income tax expense	10a	61,065	(28,585)
Profit for the period/year		**141,139**	**50,807**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain on defined benefit plan		1,284	-
Income tax effect		(385)	-
Other comprehensive income for the period/year		**899**	-
Total comprehensive income for the period/year		**142,038**	50,807
Basic Earnings per share (INR)	11	4	1

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Note	31 March 2014	31 December 2012	1 January 2012
Assets		₦'000	₦'000	₦'000
Non-current assets				
Property, plant and equipment	12	2,807,053	673,179	393,738
Intangible assets	13	2,215	5,491	8,119
Net employee defined benefit asset	14	58,864	-	-
Deferred tax assets	10c	25,109	68,530	3
		2,893,241	747,200	401,860
Current assets				
Inventories	15	1,003,111	793,664	1,132,674
Trade and other receivables	16	645,306	666,083	768,414
Loans and advances	17	6,903	16,780	19,150
Prepayments	18	694,273	149,541	269,698
Cash and short term deposits	19	128,150	742,485	430,806
		2,477,743	2,368,553	2,620,742
Total assets		**5,640,984**	**3,115,753**	**3,022,602**
Equity and liabilities				
Equity				
Issued capital	20	40,000	40,000	40,000
Share Premium		38,951	38,951	38,951
Retained earnings		2,710,842	2,339,893	2,204,995
Total equity		**2,789,793**	**2,418,844**	**2,283,946**
Non-current liabilities				
Interest bearing loans and borrowings	21	1,245,920	-	-
Employee benefit liability	14	40,353	40,221	29,589
		1,286,273	40,221	29,589
Current liabilities				
Interest bearing loans and borrowings	21	14,093	-	-
Trade and other payables	22	1,339,175	437,747	491,538
Income tax payable	10c	155,378	161,836	156,820
Provisions	23	56,272	57,105	60,709
		1,564,918	656,688	709,067
Total liabilities		**2,851,191**	**696,909**	**738,656**
Total equity and liabilities		**5,640,984**	**3,115,753**	**3,022,602**

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON THEIR BEHALF ON .... MAY 2014

Signature	Designation	FRC. No.
-----------------------	Chairman	
-----------------------	Managing Director	
-----------------------	Financial Controller	

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Note	31 March 2014	31 December 2012	1 January 2012
Assets		INR'000	INR'000	INR'000
Non-current assets				
Property, plant and equipment	12	1,077,109	236,627	133,802
Intangible assets	13	850	1,930	2,759
Net employee defined benefit asset	14	22,587	-	-
Deferred tax assets	10c	9,635	24,089	1
		1,110,181	262,646	136,562
Current assets				
Inventories	15	384,909	278,978	384,910
Trade and other receivables	16	247,614	234,132	261,125
Loans and advances	17	2,649	5,898	6,508
Prepayments	18	370,006	52,565	91,650
Cash and short term deposits	19	49,173	260,988	146,398
		1,054,351	832,561	890,591
Total assets		**2,164,531**	**1,095,207**	**1,027,153**
Equity and liabilities				
Equity				
Issued capital	20	15,349	14,060	13,593
Share Premium		14,946	13,692	13,236
Retained earnings		1,040,191	822,487	749,310
Total equity		**1,070,486**	**850,239**	**776,140**
Non-current liabilities				
Interest bearing loans and borrowings	21	478,078	-	-
Employee benefit liability	14	15,484	14,138	10,055
		493,562	14,138	10,055
Current liabilities				
Interest bearing loans and borrowings	21	5,408	-	-
Trade and other payables	22	513,862	153,871	167,036
Income tax payable	10c	59,621	56,886	53,291
Provisions	23	21,592	20,073	20,630
		600,483	230,830	240,958
Total liabilities		**1,094,045**	**244,968**	**251,013**
Total equity and liabilities		**2,164,531**	**1,095,207**	**1,027,153**

APPROVED BY THE BOARD OF DIRECTORS AND
SIGNED ON THEIR BEHALF ON .... MAY 2014

Signature	Designation	FRC. No.
-----------------------	Chairman	
-----------------------	Managing Director	
-----------------------	Financial Controller	

STATEMENT OF CHANGES IN EQUITY

FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2014

	Issued share capital	Retained earnings	Share premium	Total equity
	₦000	₦000		₦000
As at 1 January 2013	**40,000**	**2,339,893**	**38,951**	**2,418,844**
Profit for the period	-	380,526	-	380,526
Other comprehensive income	-	2,423	-	2,423
Dividend (30kobo per share)	-	(12,000)	-	(12,000)
At 31 March 2014	**40,000**	**2,710,842**	**38,951**	**2,789,793**
As at 1 January 2012	**40,000**	**2,204,995**	**38,951**	**2,283,946**
Profit for the year	-	150,898	-	150,898
Dividend (40kobo per share)	-	(16,000)	-	(16,000)
At 31 December 2012	**40,000**	**2,339,893**	**38,951**	**2,418,844**

	Issued share capital	Retained earnings	Share premium	Total equity
	INR'000	INR'000		INR'000
As at 1 January 2013	**15,349**	**897,852**	**14,946**	**928,147**
Profit for the period	-	146,014	-	146,014
Other comprehensive income	-	930	-	930
Dividend (30kobo per share)	-	(4,605)	-	(4,605)
At 31 March 2014	**15,349**	**1,040,191**	**14,946**	**1,070,486**
As at 1 January 2012	**15,349**	**846,090**	**14,946**	**876,385**
Profit for the year	-	57,902	-	57,902
Dividend (40kobo per share)	-	(6,139)	-	(6,139)
At 31 December 2012	**15,349**	**897,852**	**14,946**	**928,147**

ATEMENT OF CASH FLOW

R THE FIFTEEN MONTHS ENDED 31 MARCH 2014

	Notes	15 months to 31 March 2014 ₦'000	12 months to 31 December 2012 ₦'000
Operating activities			
Profit before tax		545,163	235,796
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment (PPE)	12	92,226	64,642
Amortisation of intangible assets	13	3,276	2,628
Profit on disposal of property, plant and equipment	6	(830)	(1,158)
Finance income	9	(22,200)	(30,390)
Employee costs under defined benefit plan	14	4,584	12,478
		622,219	283,996
Working capital adjustments:			
(Increase)/decrease in inventories		(209,447)	339,010
Decrease in trade and other receivables		20,777	102,331
Decrease in loans and advances		9,877	2,370
(Increase)/decrease in prepayments		(814,732)	120,157
Increase/(decrease) in trade and other payables		901,058	(53,979)
Decrease in provisions		(833)	(3,604)
		528,919	**790,281**
Interest received	9	22,200	30,390
Tax paid	10c	(128,713)	(148,409)
Employee benefit liability paid	14	-	(1,846)
Employee benefit funded	14	(59,854)	-
Cash flows from operating activities		**362,552**	**670,416**
Investing activities			
Purchase of property, plant & equipment	12&21	(2,212,050)	(345,947)
Proceeds from sale of PPE		873	3,022
Net cash utilised in investing activities		**(2,211,177)**	**(342,925)**
Financing activities			
Proceed from borrowings	21	1,245,920	-
Dividend paid	22.2	(11,630)	(15,812)
Net cash provided / (utilised) by financing activities		**1,234,290**	**(15,812)**
Net (decrease) /increase in cash and cash equivalents		(614,335)	311,679
Cash and cash equivalents at the beginning of the period/year	19	742,485	430,806
Cash and cash equivalents at the end of the period/year	**19**	**128,150**	**742,485**

ATEMENT OF CASHFLOW

R THE FIFTEEN MONTHS ENDED 31 MARCH 2014

	Notes	15 months to 31 March 2014 INR'000	12 months to 31 December 2012 INR'000
Operating activities			
Profit before tax		202,204	79,393
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment (PPE)	12	34,207	21,765
Amortisation of intangible assets	13	1,215	885
Profit on disposal of property, plant and equipment	6	(308)	(390)
Finance income	9	(8,234)	(10,232)
Employee costs under defined benefit plan	14	1,700	4,201
		230,785	95,622
Working capital adjustments:			
(Increase)/decrease in inventories		(77,685)	114,145
Decrease in trade and other receivables		7,706	34,455
Decrease in loans and advances		3,663	798
(Increase)/decrease in prepayments		(302,189)	40,457
Increase/(decrease) in trade and other payables		334,208	(18,175)
Decrease in provisions		(309)	(1,213)
		196,179	**266,088**
Interest received	9	8,234	10,232
Tax paid	10c	(47,740)	(49,969)
Employee benefit liability paid	14	-	(622)
Employee benefit funded	14	(22,200)	-
Cash flows from operating activities		**134,473,**	**225,729**
Investing activities			
Purchase of property, plant & equipment	12&21	(820,463)	(116,980)
Proceeds from sale of PPE		324	1,018
Net cash utilised in investing activities		**(820,139)**	**(115,463)**
Financing activities			
Proceed from borrowings	21	462,119	-
Dividend paid	22.2	(4,314)	(5,324)
Net cash provided / (utilised) by financing activities		**457,806**	**(5,324)**
Net (decrease) /increase in cash and cash equivalents		(227,861)	104,942
Cash and cash equivalents at the beginning of the period/year	19	275,392	145,053
Cash and cash equivalents at the end of the period/year	**19**	**47,532**	**249,995**

1. CORPORATE INFORMATION

The company was incorporated in Nigeria as a limited liability company on 12 May 1987 under the name Ranmax Laboratories Nigeria Limited. The name was changed to Ranbaxy Nigeria Limited at an extra ordinary general meeting held on 6 October 1995. The principal activities of the Company continue to be the manufacturing, importation and sale of pharmaceutical products in Nigeria. The registered office is located at Western House, Broad street Lagos. Information on other related party relationships of the Company is provided in Note 24.

There was no change in the nature of business of the company during the period.

2.1 BASIS OF PREPARATION

The financial statements of Ranbaxy Nigeria Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statement also complies with the requirements of the Company and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria. For all periods up to and including the year ended 31 December 2012, the company prepared its financial statements in accordance with Nigeria generally accepted accounting principles (Nigeria GAAP). These financial statements for the fifteen months ended 31 March 2014 are the first the Company has prepared in accordance with IFRS. Refer to Note 2.3 for information on how the Company adopted IFRS.

The financial statements have been prepared on a historical cost basis.. The financial statements provide comparative information in respect of the previous period.

The financial statement for the year ended 31 March 2014 is 15 months with comparative of 12 months. This is as a result of the company's change in reporting period from 31 December to 31 March as the Company new reporting date. The reason for the change in reporting date was to align the Company's accounting year end with that of its parent company.

The financial statements are presented in Naira and all values are rounded to the nearest thousand (₦ 000), except when otherwise indicated. The Naira is also the functional currency of the Company.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by Ranbaxy Nigeria Limited in the presentation of its financial statements. The policies have been consistently applied for all the periods presented.

2.2.1 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be sold within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

  All other assets are classified as non-current. A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

2.2.1 Current versus non-current classification - continued

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after reporting period
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2.2 FOREIGN CURRENCY TRANSACTION AND BALANCES

Functional and presentation currency

The financial statements have been presented in Naira which is the Company's functional and presentation currency. The company determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements are measured using its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date with resulting exchange difference recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange component of the gain or loss arising on fair valuation of non monetary items, if any, is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

2.2.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred. Capital work-in-progress is stated at cost.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

2.2.3 PROPERTY, PLANT AND EQUIPMENT - continued

Depreciation

The straight-line method is used to depreciate the cost less any estimated residual value of the assets over their expected useful lives. The Company estimates the useful lives of assets in line with their beneficial periods. Where a part of an item of property, plant and equipment has different useful live and is significant to the total cost, the cost of that item is allocated on a component basis among the parts and each part is depreciated separately. The useful lives of the Company's property, plant and equipment for the purpose of depreciation are as follows:

PPE Class	Number of years
Lease hold improvements	Over the period of the lease
Plant and machinery	10-15
Furniture & Fittings	5-7
Generators	4-6
Motor vehicles	4-6

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

De-recognition of PPE

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit or Loss when the asset is derecognised.

Annual Assessments

The residual values, useful lives and methods of depreciation of each item of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.2.4 LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term. Consequently, when an operating lease is terminated before the lease term has expired; any payment to the lessor that is required by way of penalty is recognised as an expense in the period in which termination takes place.

2.2.5 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the profit or loss when it is incurred.

The Company's intangible assets consists Computer software's. The useful lives of the computer software's are assessed as finite.
Computer Software's are amortised over 5years which is their useful economic lives and assessed for impairment whenever there is an indication that the software may be impaired. The amortisation period and the amortisation method for the Computer Software are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software is recognised in the profit or loss in the expense category consistent with the function of the intangible assets.

2.2.6 EARNINGS PER SHARE

Basic earnings per share: Basic earnings per share are determined by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

2.2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings and material adverse changes in the economic environment.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. A cash generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. . Impairment losses, if any, are recognised in profit or loss as a component of depreciation and amortisation expense. Impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised. For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

2.2.8 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials: purchase cost on weighted average cost basis.
- Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- Consumables: purchase cost on weighted average cost basis.
- Goods in transit: purchase cost incurred to date

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.2.9 Financial instruments

The Company recognises financial assets and financial liabilities on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are recognised initially at fair value plus directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss.

Financial assets

Nature and Subsequent measurement
The Company's financial assets include Loans and other receivables, and Cash and short-term deposits. After initial measurement, the subsequent measurement of financial assets depends on their classification as follows:

Financial Assets -Subsequent measurement

Loans and advances
Loans and receivables including staff loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance/interest income in the statement of Profit or Loss. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Trade receivable
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impairment. The carrying amount of trade receivable is reduced through the use of an allowance account. When trade receivables are uncollectible, it is written off as 'administrative expenses' in statement of profit or loss. Subsequent recoveries of amounts previously written off are included in other operating income.

Cash and short term deposit

Cash and Short term deposit includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For the purpose of Cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts (if any).

2.2.9 Financial instruments - continued

De-recognition of financial assets

The Company derecognizes a financial asset only and only if the Company's contractual rights to the cash flows from the asset expires or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
(a) The Company has transferred substantially all the risks and rewards of the asset, or
(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from a financial asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If

2.2.9 Financial instruments - continued

Financial assets carried at amortised cost - continued

in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is recognised as 'Bad debt recoveries' in the statement of profit or loss.

An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The Company deploys age analysis tools to track the payment pattern of customers. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively; the amount of impairment is recognised in profit or loss within 'administrative expenses'.

Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, or loans and borrowings as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Financial Liabilities-Subsequent measurement

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The EIR amortisation is included as finance costs in the statement of profit or loss.

De-recognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,
2.2.9 Financial instruments - continued

De-recognition of financial liabilities - continued

or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.10 TAXES

Current income tax

Current income tax and education tax for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ☐When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ☐When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

☐

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.2.10 TAXES - continued

Deferred tax - continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- ☐When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ☐When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.2.11 DIVIDEND

Dividends on ordinary shares are recognised as a liability when they are approved by the Company's shareholders at the Annual General Meeting. Interim dividends are recognised, when they are paid. Dividends for the year that are approved after the reporting date are disclosed in the financial statements as a non-adjusting event.

2.2.12 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding value-added tax, estimated returns, rebates and discounts. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements has pricing latitude and is also exposed to inventory and credit risks.
The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

The specific recognition criteria described below must also be met before revenue is recognised.

2.2.12 REVENUE - continued

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the profit or loss.

2.2.13 EMPLOYEE BENEFIT

Pension Scheme

In line with the provisions of the Pension Reform Act 2004 of Nigeria, the Company operates a contributory pension scheme (which is a defined contribution plan) for all its employees. Under the scheme, the Company and its employees each contribute 7.5% of employee's annual insurable earnings (basic pay, transport and housing) to a private pension fund which manages the funds for the benefit of the employee. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to statement of comprehensive income as employee cost. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits under the scheme.

Gratuity Scheme

The employee gratuity scheme is a defined benefit plan. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit method. Actuarial gains and losses are recognised in other comprehensive income (OCI).

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.
Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- ☐The date that the Company recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation under 'administrative expenses' in the statement of profit or loss (by function):

- ☐Service costs comprising current service costs, past-service costs, and non-routine settlements
- ☐Net interest expense or income

2.2.14 PROVISIONS

General
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies
Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. Where the Company makes contributions into a separately administered fund for restoration, environmental or other obligations, which it does not control, and the Company's right to the assets in the fund is restricted, the obligation to contribute to the fund is recognized as a liability where it is probable that such additional contributions will be made.

2.2.15 Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in Note 29.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

2.2.15 Fair value measurement - continued

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Board. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the company's accounting policies.

For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the company's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.2.16 KEY MANAGEMENT PERSONNEL

For the purpose of related party disclosures, key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of Company. For Ranbaxy Nigeria Limited key management personnel are considered to be designations from Director Levels.

2.3. First-time adoption of IFRS

These financial statements, for the fifteen months ended 31 March 2014, are the first that Ranbaxy Nigeria Limited has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2012, Ranbaxy Nigeria Limited prepared its financial statements in accordance with Nigeria generally accepted accounting principle (Nigeria or Local GAAP).

Accordingly, the Company has prepared financial statements which comply with IFRS applicable for periods ending on or after 31 March 2014, together with the comparative period data as at and for the year ended 31 December 2012, as described in the accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 January 2012, the Company's date of transition to IFRS. This note explains the principal adjustments made by the company in restating its Nigerian GAAP financial statements, including the statement of financial position as at 1 January 2012 and the financial statements as at and for the year ended 31 December 2012.

2.3.1. Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has applied the following exemptions:

Employee benefit plan
The Company has elected to disclose the following amounts prospectively from the date of transition (IFRS ordinarily requires the amounts for the current and previous four annual periods to be disclosed): (i) the present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and (ii) the experience adjustments arising on the plan liabilities and the plan assets.

2.3. First-time adoption of IFRS - continued
Reconciliation of equity as at 1 January 2012 (date of transition to IFRS)

	Notes	Local GAAP ₦'000	Re-classifications ₦'000	IFRS as at 1 January 2012 ₦'000
Assets				
Non-current assets				
Property, plant and equipment		393,738	-	393,738
Intangible assets		8,119	-	8,119
Deferred tax assets		3	-	3
Long term prepayment	A	35,559	(35,559)	-
		437,419	(35,559)	401,860
Current assets				-
Inventories		1,132,674	-	1,132,674
Trade and other receivables	B	1,033,026	(264,612)	768,414
Loans and advances	B	-	19,150	19,150
Prepayments	B	-	269,698	269,698
Cash and Short term deposits	C	419,483	11,323	430,806
		2,585,183	35,559	2,620,742
Total assets		**3,022,602**	-	**3,022,602**
Equity and liabilities				
Equity				
Issued capital		40,000	-	40,000
Share premium		38,951	-	38,951
Retained earnings		2,204,995	-	2,204,995
Total equity		**2,283,946**	-	**2,283,946**
Non-current liabilities				
Employee Benefit Liability		29,589	-	29,589
Provision	D	60,709	(60,709)	-
		90,298	(60,709)	29,589
Current liabilities				
Trade and other payables		491,538	-	491,538
Income Tax Payable		156,820	-	156,820
Provisions	D	-	60,709	60,709
		648,358	60,709	709,067
Total liabilities		**738,656**	-	**738,656**
Total equity and liabilities		**3,022,602**	-	**3,022,602**

2.3.	First-time adoption of IFRS - continued			
Reconciliation of equity as at 1 January 2012 (date of transition to IFRS)				
	Notes	Local GAAP	Re-classifications	IFRS as at 1 January 2012
		INR'000	INR'000	INR'000
Assets				
Non-current assets				
Property, plant and equipment		133,802	-	133,802
Intangible assets		2,759	-	2,759
Deferred tax assets		1	-	1
Long term prepay	A	12,084	(12,084)	-
		148,645	(12,084)	136,562
Current assets				
Inventories		384,910	-	384,910
Trade and other re	B	351,047	(89,922)	261,125
Loans and advanc	B	-	6,508	6,508
Prepayments	B	-	91,650	91,650
Cash and Short te	C	142,550	3,848	146,398
		878,507	12,084	890,591
Total assets		1,027,153	-	1,027,153
Equity and liabilities				
Equity				
Issued capital		13,593	-	13,593
Share premium		13,236	-	13,236
Retained earnings		749,310	-	749,310
Total equity		776,140	-	776,140
		-	-	-
Non-current liabilities		-	-	-
Employee Benefit Liability		10,055	-	10,055
Provision	D	20,630	(20,630)	-
		30,685	(20,630)	10,055
Current liabilities		-		
Trade and other payables		167,036	-	167,036
Income Tax Payable		53,291	-	53,291
Provisions	D	-	20,630	20,630
		220,328	20,630	240,958
Total liabilities		251,013	-	251,013
Total equity and liabilities		1,027,153	-	1,027,153

2.3. First-time adoption of IFRS - continued

Reconciliation of equity as at 31 December 2012

		Local GAAP ₦'000	Re-classifications ₦'000	IFRS as at 31 December 2012 ₦'000
Assets				
Non-current assets				
Property, plant and equipment		673,179	-	673,179
Intangible assets		5,491	-	5,491
Deferred tax assets		68,530	-	68,530
Long prepayment	A	310	(310)	-
		747,510	(310)	747,200
Current assets				
Inventories		793,664	-	793,664
Trade and other receivables	B	833,850	(167,767)	666,083
Loans and advances	B	-	16,780	16,780
Prepayments	B	-	149,541	149,541
Cash and Short term deposits	C	740,729	1,756	742,485
		2,368,243	310	2,368,553
Total assets		**3,115,753**	-	**3,115,753**
Equity and liabilities				-
Equity			-	-
Issued capital		40,000		40,000
Share Premium		38,951		38,951
Retained earnings		2,339,893		2,339,893
Total equity		**2,418,844**		**2,418,844**
			-	-
Non-current liabilities				-
Employee benefit liability		40,221	-	40,221
Provisions	D	57,105	(57,105)	-
		97,326	(57,105)	40,221
Current liabilities				-
Trade and other payables		437,747	-	437,747
Income Tax Payable		161,836	-	161,836
Provisions	D	-	57,105	57,105
		599,583	57,105	656,688
Total liabilities		**696,909**	-	**696,909**
Total equity and liabilities		**3,115,753**	-	**3,115,753**

2.3.	First-time adoption of IFRS - continued			
Reconciliation of equity as at 31 December 2012				
		Local GAAP	**Re-classifications**	**IFRS as at 31-Dec-12**
		INR'000	INR'000	INR'000
Assets				
Non-current assets				
Property, plant and equipment		236,627	-	236,627
Intangible assets		1,930	-	1,930
Deferred tax assets		24,089	-	24,089
Long prepayment	A	109	(109)	-
		262,754	(109)	262,645
Current assets				
Inventories		278,978	-	278,978
Trade and other receivables	B	293,103	(58,971)	234,132
Loans and advances	B	-	5,898	5,898
Prepayments	B	-	52,565	52,565
Cash and Short term deposits	C	260,371	617	260,988
		832,452	109	832,561
Total assets		**1,095,207**	**-**	**1,095,207**
Equity and liabilities				
Equity				
Issued capital		14,060	-	14,060
Share Premium		13,692	-	13,692
Retained earnings		822,487	-	822,487
Total equity		**850,239**	**-**	**850,239**
Non-current liabilities				
Employee benefit liability		14,138	-	14,138
Provisions	D	20,073	-20,073	-
		34,211	-20,073	14,138
Current liabilities				
Trade and other payables		153,871	-	153,871
Income Tax Payable		56,886	-	56,886
Provisions	D	-	20,073	20,073
		210,757	20,073	230,830
Total liabilities		**244,968**	**-**	**244,968**
Total equity and liabilities		**1,095,207**	**-**	**1,095,207**

2.3. First-time adoption of IFRS - continued

Reconciliation of total comprehensive income for the year ended 31 December 2012

	Notes	Local GAAP ₦'000	Re-classifications adoption ₦'000	IFRS as at 31 December 2012 ₦'000
Revenue		3,461,396	-	3,461,396
Cost of sales		(2,173,300)	-	(2,173,300)
Gross profit		**1,288,096**	-	**1,288,096**
Other Income	E	-	52,467	52,467
Selling and distribution expenses		(331,889)	-	(331,889)
Administrative expenses	E	(542,001)	(261,267)	(803,268)
Exceptional item	E	(208,800)	208,800	-
Operating profit		**205,406**	-	**205,406**
Finance income		30,390	-	30,390
Profit before tax		**235,796**	-	**235,796**
Income tax expense		(84,898)	-	(84,898)
Profit for the year		**150,898**	-	**150,898**
Other comprehensive income				
Actuarial Valuation		-	-	-
Income tax effect		-	-	-
		-	-	-
Total comprehensive income for the year		**150,898**	-	**150,898**

2.3.	**First-time adoption of IFRS - continued**			
Reconciliation of total comprehensive income for the year ended 31 December 2012				
		Local GAAP	**Re-classifications adoption**	**IFRS as at 31 December 2012**
	Notes	INR'000	INR'000	INR'000
Revenue		1,216,702	-	1,216,702
Cost of sales		(763,928)	-	(763,928)
Gross profit		**452,774**	**-**	**452,774**
Other Income	E	-	18,442	18,442
Selling and distribution expenses		(116,661)	-	(116,661)
Administrative expenses	E	(190,517)	(91,837)	(282,354)
Exceptional item	E	(73,394)	73,394	-
Operating profit		**72,201**	**-**	**72,201**
Finance income		10,682	-	10,682
Profit before tax		**82,884**	**-**	**82,884**
Income tax expense		(29,842)	-	(29,842)
Profit for the year		**53,042**	**-**	**53,042**
		-	-	-
Other comprehensive income		-	-	-
		-	-	-
Actuarial Valuation		-	-	-
Income tax effect		-	-	-
		-	-	-
Total comprehensive income for the year		**53,042**	**-**	**53,042**

Notes to the reconciliations

Notes to the reconciliation of equity as at 1 January 2012 and 31 December 2012 and total Profit or Loss for the year ended 31 December 2012

A. Prepayments

Under the Nigerian GAAP, the company's prepayments was broken down into long term and short-term. The long-term portion was classified as non-current assets while the short-term was presented as a current asset. Under IFRS, the total prepayment has been re-classified as current asset.

B. Trade and other receivables

Under the Nigerian GAAP, trade receivables, loans and advances made to the company's staff and short-term prepayment were classified as debtors and prepayments. The related adjustments are to reclassify the above items to align them to their appropriate headings under IFRS. Loans and advances, prepayments included as trade and other receivables have been reclassified to their respective headings for the purpose of proper presentation.

2.3. First-time adoption of IFRS - continued

C. Cash and Short term deposits

Under the Nigerian GAAP, interest receivable on short term deposit was classified as other receivables. This has been reclassified as part of short term deposit under IFRS.

D. Provisions

Under the Nigerian GAAP, provisions for return of goods close to their expiry date which obligations are meant to be settled within one year was classified as non-current liabilities. This has been re-classified as a current liability under IFRS.

E. Administrative expenses

Under Nigerian GAAP, a total sum of ₦208,800,000 which represent the impairment of an advance payment made to the company's supplier for the new factory project was presented as an exceptional item. This has been re-classified as administrative expenses under IFRS. In addition, items amounting to N52.467 million classified as part of administrative expenses under Nigerian GAAP have been reclassified as other income under IFRS for proper disclosure.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Re-assessment of useful lives and residual values
The Company carries its PPE at cost in the statement of financial position. The annual review of the useful lives and residual value of PPE result in the use of significant management judgements.

Impairment of non-current assets
The Company subjects a number of its assets to impairment reviews annually. Key inputs into these calculations include estimates of cash flow amount and timing, cash generating unit, discounting factors, which involve the use of significant amount of management judgement.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS - continued

Accounts receivable
The allowance for doubtful accounts involves management judgment and review of individual receivable balances based on an individual customer's prior payment record, current economic trends and analysis of historical bad debts of a similar type.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Fair value of financial instruments
When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Arrangement containing lease
The Company applies IFRIC 4, "Determining Whether as Arrangement Contains a Lease", to contracts entered with telecom operators to share passive infrastructure services. IFRIC 4 deals with the method of identifying and recognizing service, purchase and sale contracts that do not take the legal form of a lease but convey a right to use an asset in return for a payment or series of payments.

The Company has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases. Where substantially all the risks and rewards incidental to ownership of the asset involved are resident with the lessor, title will not eventually be passed to the lessee at the end of the arrangement period and these leases attracts annual/quarterly rental payments which are normally prepaid by the company, such arrangements are classified as operating otherwise finance leases.

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS - continued

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Gratuity Benefits
The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is determined on the company's balance sheet date by reference to market yields on high quality Government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme.

4. Standards issued but not yet effective

IFRS 9 Financial Instruments
IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 31 March 2014, but *Amendments to IFRS 9.*
Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurements of the Company's financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRIC 21 Levies
IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation includes guidance illustrating how the Interpretation should be applied. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The company does not expect that IFRC 21 will have material financial impact in future financial statements.

IAS 36 Impairment of Assets – Amendments to IAS 36
The IASB amended IAS 36 by removing the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no impairment. It also requires the disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed and detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. The amendments are effective from annual periods beginning on or after 1 January 2014 and should be applied retrospectively. Early adoption is permitted although the amendments may not be applied before an entity applies IFRS 13. The company has no CUG that contains goodwill or indefinite lived intangible assets and the Company has not recognised or reversed any impairment loss. However, these amendments would be considered for future impairment loss.

4. Standards issued but not yet effective - continued

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Company.

Annual Improvements issued but not yet effective

IFRS 2 Share-based Payment: Definitions of vesting conditions

Performance condition and service condition are defined in order to clarify various issues, including the following:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition

If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment is applied prospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 3 Business Combinations: Accounting for contingent consideration in a business combination

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 8 Operating Segments: Aggregation of operating segments

The amendment clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. • The amendment is applied retrospectively

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 8 Operating Segments: Reconciliation of the total of the reportable segments' assets to the entity's assets

The amendment clarifies that the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment is applied retrospectively.

4. Standards issued but not yet effective - continued

Annual Improvements issued but not yet effective - continued

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 13 –Fair Value Measurement: Scope of paragraph 52 (portfolio exception)

The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Revaluation method – proportionate restatement of accumulated depreciation/amortization

The amendment to IAS 16 and IAS 38 clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. The amendment also clarifies that accumulated depreciation/amortisation is the difference between the gross and carrying amounts of the asset. The amendment is applied retrospectively
This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IAS 24 Related Party Disclosures: Key management personnel

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is applied retrospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 3 Business Combinations: Scope exceptions for joint ventures

The amendment clarifies that, joint arrangements, not just joint ventures, are outside the scope of IFRS 3. The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively.

IAS 40 Investment Property: Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment clarifies that IFRS 3, not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The amendment is applied prospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

5. Revenue

	15 months to 31 March 2014	12 months to 31 December 2012
	₦000	₦000
Sale of goods	3,948,119	3,461,396

6. Other Income

Profit on sale of property plant and machinery	830	1,158
Foreign exchange gains	58,870	49,399
Sale of scrap	655	1,910
	60,355	52,467

7. Selling and distribution expenses

Selling and promotion	291,948	264,296
Distribution Charges	67,702	66,101
Others	2,046	1,492
	361,696	331,889

8. Administrative expenses

Staff Cost (8a)	267,311	234,720
Depreciation and amortisation	95,502	67,270
Auditors' remuneration	12,500	9,100
Professional fees	8,120	8,552
Transport and travelling expenses	26,286	24,924
Rent	105,405	85,068
Repairs and maintenance	36,893	25,338
Technical know-how expenses	57,353	47,047
Foreign exchange loss	32,426	50,222
Regulatory expenses	8,397	12,252
Impairment of trade and other receivables	(4,683)	190,447
Training	4,965	1,639
Directors fees	260	160
Bank charges	2,822	5,543
Insurance	18,644	4,783
Printing, stationery and communication	23,417	22,295
Other administrative expenses	12,375	13,908
	707,993	803,268

5. Revenue

	15 months to 31 March 2014	12 months to 31 December 2012
	INR000	INR000
Sale of goods	1,464,382	1,165,453

6. Other Income

Profit on sale of property plant and machinery	308	390
Foreign exchange gains	21,835	16,633
Sale of scrap	243	643
	22,386	17,666

7. Selling and distribution expenses

Selling and promotion	108,285	88,989
Distribution Charges	25,111	22,256
Others	759	502
	134,155	111,747

Amount classified as others relates to gifts and presents given to major distributors.

8. Administrative expenses

Staff Cost (8a)	99,147	79,030
Depreciation and amortisation	35,422	22,650
Auditors' remuneration	4,636	3,064
Professional fees	3,012	2,879
Transport and travelling expenses	9,750	8,392
Rent	39,095	28,642
Repairs and maintenance	13,684	8,531
Technical know-how expenses	21,273	15,841
Foreign exchange loss	12,027	16,910
Regulatory expenses	3,114	4,125
Impairment of trade and other receivables	(1,737)	64,124
Training	1,842	552
Directors fees	96	54
Bank charges	1,047	1,866
Insurance	6,915	1,610
Printing, stationery and communication	8,686	7,507
Other administrative expenses	4,590	4,683
	262,599	270,461

	15 months to 31 March 2014 ₦000	12 months to 31 December 2012 ₦000
8a). Staff Cost		
Included in administrative costs:		
Wages and salaries	155,576	123,838
Workmen and staff welfare	84,233	88,771
Gratuities	14,262	12,478
Pension cost	13,240	9,633
	267,311	234,720

9. Finance Income

Interest received on bank deposit	22,200	30,390

	15 months to 31 March 2014 INR000	12 months to 31 December 2012 INR000
8a). Staff Cost		
Included in administrative costs:		
Wages and salaries	57,704	41,696
Workmen and staff welfare	31,243	29,889
Gratuities	5,290	4,201
Pension cost	4,911	3,243
	99,147	79,030

9. Finance Income

Interest received on bank deposit	8,234	10,232

10. Income tax

The major components of income tax expense for the period ended 31 March 2014 and year ended 31 December 2013 are:

a. Statement of profit or loss	15 months to 31 March 2014 ₦000	12 months to 31 December 2012 ₦000
Current income tax:		
Company income tax charge	107,230	142,958
Education tax	13,052	10,467
Prior year income tax under-provision	1,973	-
	122,255	153,425
Deferred tax:		
Relating to origination and reversal of temporary differences	42,382	(68,527)
Income tax expense reported in statement of profit or loss	164,637	84,898

b. Statement of other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the period/year:

Net gain on actuarial gains and losses	1,039	-
Income tax charged to OCI	1,039	-

Reconciliation of income tax expense

Reconciliation between tax expense and the product of accounting profit for the fifteen months ended 31 March 2014 is as follows:

	%	15 months to 31 March 2014 ₦000	%	12 months to 31 December 2012 ₦000
Accounting profit before income tax		545,163		235,796
At Nigeria's statutory income tax rate of 30%	30.0	163,549	30.0	70,739
Education tax	2.4	13,052	4.4	10,467
Adjustments in respect of current income tax previous year	0.4	1,973	-	-
Non-deductible expenses for tax purposes	27.8	151,822	140.4	331,156
Non-taxable income for tax purposes	(3.3)	(17,964)	(18.8)	(44,443)
Effect of investment allowance	(27.1)	(147,795)	(120.0)	(283,021)
Income tax expense reported in statement of profit or loss	30.2	164,637	36.0	84,898

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
c. Statement of financial position			
At the beginning of the period/year	161,836	156,820	
Tax charge for the year	122,255	153,425	
Payment during the year	(128,713)	(148,409)	
At the end of the period/year	155,378	161,836	156,820

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
At the beginning of the period/year	68,530	3	822
Tax (expense)/income during the period/year recognised in profit or loss	(42,382)	68,527	(819)
Tax (expense)/income during the period/year recognised in other comprehensive income	(1,039)	-	-
At the end of the period/year	25,109	68,530	3

Statement of profit or loss and other comprehensive income

	15 months to 31 March 2014	12 months to 31 December 2012
	₦000	₦000
Charged to profit or loss	42,382	(68,527)
Recognised in other comprehensive income	1,039	-
Deferred tax charge/(credit)	43,421	(68,527)

Deferred tax relates to the following:

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The Company has recognised deferred tax assets in respect of deductible temporary differences; as it is probable that taxable profits will be available in future for utilisation. The tax rate applicable to this deductible temporary difference is 30% based on the relevant tax laws

11. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period/year.

	15 months to 31 March 2014	12 months to 31 December 2012
	₦000	₦000
Net profit attributable to ordinary equity holders	380,526	150,898
	2014	2012
	Thousands	Thousands
Weighted average number of ordinary shares in issue	40,000	40,000
Earnings per share - Basic (₦)	9.51	3.77

The shares of the Company were not diluted during the fifteen months period.

10. Income tax

The major components of income tax expense for the period ended 31 March 2014 and year ended 31 December 2013 are:

c. Statement of profit or loss	15 months to 31 March 2014 INR000	12 months to 31 December 2012 INR000
Current income tax:		
Company income tax charge	39,772	48,134
Education tax	4,841	3,524
Prior year income tax under-provision	732	-
	45,345	51,658
Deferred tax:		
Relating to origination and reversal of temporary differences	15,720	(23,073)
Income tax expense reported in statement of profit or loss	61,065	28,585

d. Statement of other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the period/year:

Net gain on actuarial gains and losses	385	-
Income tax charged to OCI	385	-

Reconciliation of income tax expense

Reconciliation between tax expense and the product of accounting profit for the fifteen months ended 31 March 2014 is as follows:

	%	15 months to 31 March 2014 INR000	%	12 months to 31 December 2012 INR000
Accounting profit before income tax		202,204		79,393
At Nigeria's statutory income tax rate of 30%	30.0	60,661	30.0	23,818
Education tax	2.4	4,841	4.4	3,524
Adjustments in respect of current income tax previous year	0.4	732	-	-
Non-deductible expenses for tax purposes	27.8	56,312	140.4	111,500
Non-taxable income for tax purposes	(3.3)	(6,663)	(18.8)	(14,964)
Effect of investment allowance	(27.1)	(54,818)	(120.0)	(95,293)
Income tax expense reported in statement of profit or loss	30.2	61,065	36.0	28,585

	31 March 2014 INR000	31 December 2012 INR000	1 January 2012 INR000
c. Statement of financial position			
At the beginning of the period/year	62,099	55,123	
Tax charge for the year	46,911	53,930	
Payment during the year	(49,389)	(52,167)	
At the end of the period/year	59,621	56,886	53,291

	31 March 2014 INR000	31 December 2012 INR000	1 January 2012 INR000
At the beginning of the period/year	25,418	1	247
Tax (expense)/income during the period/year recognised in profit or loss	(15,720)	23,073	(246)
Tax (expense)/income during the period/year recognised in other comprehensive income	(385)	-	-
At the end of the period/year	9,313	23,074	1

Statement of profit or loss and other comprehensive income

	15 months to 31 March 2014 INR000	12 months to 31 December 2012 INR000
Charged to profit or loss	15,720	(23,073)
Recognised in other comprehensive income	385	-
Deferred tax charge/(credit)	16,105	(23,073)

Deferred tax relates to the following:

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The Company has recognised deferred tax assets in respect of deductible temporary differences; as it is probable that taxable profits will be available in future for utilisation. The tax rate applicable to this deductible temporary difference is 30% based on the relevant tax laws

11. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period/year.

	15 months to 31 March 2014 INR000	12 months to 31 December 2012 INR000
Net profit attributable to ordinary equity holders	141,139	50,807
	2014 Thousands	2012 Thousands
Weighted average number of ordinary shares in issue	40,000	40,000
Earnings per share - Basic (INR)	3.65	1.33

The shares of the Company were not diluted during the fifteen months period.

12. Property Plant and Equipment

	Leasehold Land	Leasehold Improvement	Furniture, Fittings	Motor Vehicles	Plant and Machinery	Generator	Assets in Progress	Total
	₦000	₦000	₦000	₦000	₦000	₦000	₦000	₦000
At 1 January 2012	-	114,662	96,160	255,004	148,601	18,456	199,876	832,759
Additions	-	-	12,237	31,690	2,457	-	299,563	345,947
Disposals	-		(4,101)	(17,517)	-	-		(21,618)
Reclassification	167,410	-	-	-	-		(167,410)	-
At 31 December 2012	167,410	114,662	104,296	269,177	151,058	18,456	332,029	1,157,088
Additions	-	-	14.113	78,901	187,421	-	1,945,708	2,226,143
Disposals	-	-	(96)	(12,490)	-	-	-	(12,586)
At 31 March 2014	167,410	114,662	118,313	335,588	338,479	18,456	2,277,737	3,370,645
Depreciation								
At 1 January 2012	-	103,066	71,546	162,189	90,382	11,838	-	439,021
Charge for the year	-	4,699	7,899	35,376	12,626	4,042	-	64,642
Disposals	-	-	(4,101)	(15,653)	-	-	-	(19,754)
At 31 December 2012	-	107,765	75,344	181,912	103,008	15,880	-	483,909
Charge for the period	-	4,100	11,878	54,591	19,687	1,970	-	92,226
Disposals	-	-	(53)	(12,490)	-	-	-	(12,543)
At 31 March 2014	-	111,865	87,169	224,013	122,695	17,850	-	563,592
Net book value:								
At 1 January 2012	-	11,596	24,614	92,815	58,219	6,618	199,876	393,738
At 31 December 2012	167,410	6,897	28,952	87,265	48,050	2,576	332,029	673,179
At 31 March 2014	167,410	2,797	31,144	111,575	215,784	606	2,277,737	2,807,053

The capital work in progress relates to a new factory under construction as at the period end.

	Leasehold Land	Leasehold Improvement	Furniture, Fittings	Motor Vehicles	Plant and Machinery	Generator	Assets in Progress	Total
	INR000	INR000	INR000	INR000	INR000	INR000	INR000	INR000
At 1 January 2012	0	43,998	36,898	97,849	57,020	7,082	76,695	319,542
Additions	0	0	4,696	12,160	943	0	114,947	132,745
Disposals	0	0	-1,574	-6,722	0	0	0	-8,295
Reclassification	64,238	0	0	0	0	0	-64,238	0
At 31 December 2012	64,238	43,998	40,020	103,287	57,963	7,082	127,405	443,992
Additions	-	-	5,415	30,276	71,916	-	746,598	854,205
Disposals	-	-	(37)	(4,793)	-	-	-	(4,829)
At 31 March 2014	64,238	43,998	45,398	128,770	129,880	7,082	874,002	1,293,367
	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
At 1 January 2012	-	39,548	27,453	62,234	34,681	4,542	-	168,459
Charge for the year	-	1,803	3,031	13,574	4,845	1,551	-	24,804
Disposals	-	-	(1,574)	(6,006)	-	-	-	(7,580)
At 31 December 2012	-	41,351	28,911	69,802	39,526	6,093	-	185,683
Charge for the period	-	1,573	4,558	20,947	7,554	756	-	35,389
Disposals	-	-	(20)	(4,793)	-	-	-	(4,813)
At 31 March 2014	-	42,924	33,448	85,957	47,080	6,849	-	216,259
	-	-	-	-	-	-	-	-
Net book value:	-	-	-	-	-	-	-	-
At 1 January 2012	-	4,450	9,445	35,615	22,340	2,539	76,695	151,083
At 31 December 2012	64,238	2,646	11,109	33,485	18,438	988	127,405	258,309
At 31 March 2014	64,238	1,073	11,950	42,813	82,800	233	874,002	1,077,109

13. Intangible assets

	Computer Software	Computer Software
Cost:	₦000	INR000
At 1 January 2011	13,137	5,041
Cost capitalised	-	-
At 31 December 2012	13,137	5,041
Cost capitalised	-	-
At 31 March 2014	13,137	5,041
Accumulated amortisation:		
At 1 January 2012	5,018	1,925
Amortisation for the year	2,628	1,008
At 31 December 2012	7,646	2,934
Amortisation for the period	3,276	1,257
At 31 March 2014	10,922	4,191
Carrying amount:		
At 1 January 2012	8,119	3,115
At 31 December 2012	5,491	2,107
At 31 March 2014	2,215	850

14. Employee benefit plan

The Company has a defined benefit gratuity scheme, which is non-contributory and is classified as other employment benefits in line with IAS 19. Prior to 1 January 2013, the scheme was not funded. However, with effect from January 2013, a plan asset has been set aside; being managed by StanbicIBTC, to take care of future obligation. The obligation, service cost and actuarial gain (loss) are based on actuarial valuation performed by HR Nigeria Limited.

The company's defined benefit pension plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The plan does not operate under any regulatory framework and there is no level of minimum funding requirements.

Management is of the view that the plan would not expose the Company to any form of risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the statement of financial position for the respective plans:

Net benefit expenses (recognised in administrative expenses as part of staff costs)

	15 months to 31 March 2014 ₦'000	12 months to 31 December 2012 ₦'000	15 months to 31 March 2014 INR'000	12 months to 31 December 2012 INR'000
Current service cost	7,756	7,276	2,877	2,450
Interest cost on benefit obligation	6,506	5,202	2,413	1,752
Interest return on plan assets	(9,678)	-	(3,590)	-
Net benefit expense	4,584	12,478	1,700	4,202

14. Employee benefit plan - continued

Benefit asset/ (liability)	31 March 2014 ₦'000	31 December 2012 ₦'000	1 January 2012 ₦'000	31 March 2014 INR'000	31 December 2012 INR'000	1 January 2012 INR'000
Defined benefit obligation	(40,353)	(40,221)	(29,589)	(15,484)	(14,138)	(10,055)
Fair value of plan asset	58,864	-	-	22,587	-	-
Benefit asset/(liability)	18,511	(40,221)	(29,589)	7,103	(14,138)	(10,055)

The net benefit asset arising from the defined benefit obligation and the plan asset represents present value of economic benefit available in form of reduction in future contribution.

changes in the present value of the defined benefit obligation are as ws:

	₦'000	INR'000
ned benefit obligation as at 1 January 2012	29,589	11,354
rest cost	5,202	1,996
ent service cost	7,276	2,792
efit paid	(1,846)	(708)
ıeasurement loss/ (gain) on obligation	-	-
ned benefit obligation as 31 December 2012	40,221	15,433
rest cost	6,506	2,496
ent service cost	7,756	2,976
efit paid	(10,745)	(4,123)
ıeasurement gain on obligation	(3,385)	(1,299)
ned benefit obligation as 31 March 2014	40,353	15,484

Changes in the fair value of the plan assets are as follows:

	₦'000	INR000
Fair value of plan assets as at 1 January 2012	-	-
Expected return	-	-
Contributions by employer	-	-
Benefit paid	-	-
Actuarial loss / (gain)	-	-
Fair value of plan assets as at 31 December 2012	-	-
Interest return	9,678	3,714
Contributions by employer	59,854	22,967
Benefit paid	(10,745)	(4,123)
Remeasurement gain	77	30
Fair value of plan assets as at 31 March 2014	58,864	22,587

14. Employee benefit plan - continued

The valuation assumptions used in determining retirement benefit obligations for the Company's plans are shown below:

Financial Assumptions (Long Term Average)	**31 March 2014**	**31 December 2012**	1 January 2012
	%	%	%
Discount Rate (per annum)	14	13	14
Average Pay Increase (per annum)	12	13	13
Average inflation rate (per annum)	9	10	10

Demographic Assumptions

Mortality in service

Sample age	Number of deaths in the year out of 10,000 lives		
25	7	7	7
30	**7**	**7**	7
35	**9**	**9**	9
40	**14**	**14**	14
45	**26**	**26**	26

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Withdrawal from Service (Age Band)	**%**	**%**	%
Less than or equal to 30	2.0	2.0	3.0
31 – 39	1.5	1.5	1,5
40-44	1.0	1.0	2.0
44-50	0	0.	0.

There is no specific funding arrangements and funding policy in place. The company is expected to provide necessary funding as the need arises.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14.06 years (2012: 14.69 years).

15. Inventories

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Raw material	407,122	352,703	346,058
Stock work in progress	34,051	18,572	12,248
Finished goods	554,331	461,538	770,188
Consumables	7,607	5,851	4,180
	1,003,111	793,664	1,132,674

15. Inventories			
	31-Mar-14	31-Dec-12	01-Jan-12
	INR'000	INR'000	INR'000
Raw material	156,219	123,977	117,599
Stock work in progress	13,066	6,528	4,162
Finished goods	212,705	162,233	261,728
Consumables	2,919	2,057	1,420
	384,909	278,978	384,910

During the fifteen months ended 2014 ₦27,379,797 INR 10,155,334(2012: ₦17,695,115 INR 5,957,951) was recognised as an expense for short-dated and defective inventory provision. This is recognised in cost of sales.

16. Trade and other receivables

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Trade receivables	648,406	688,039	782,353
Impairment of trade receivables (Note 16a)	(49,736)	(54,383)	(72,736)
	598,670	633,656	709,617
Other receivables (Note 16.1)	260,142	245,933	63,503
Impairment of other receivables (Note 16.1a)	(213,506)	(213,506)	(4,706)
	645,306	666,083	768,414

16. Trade and other receivables

	31 March 2014	31 December 2012	1 January 2012
	INR'000	INR'000	INR'000
Trade receivables	248,803	241,850	265,862
Impairment of trade receivables (Note 16a)	(19,084)	(19,116)	(24,717)
	229,719	222,734	241,145
Other receivables (Note 16.1)	99,820	86,447	21,580
Impairment of other receivables (Note 16.1a)	(81,925)	(75,049)	(1,599)
	247,614	234,132	261,125

Trade receivables are non-interest bearing and are generally on 30-360 day terms

16.1 Other receivable

	31 March 2014	31 December 2012	1 January 2012	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000	INR000	INR000	INR000
Claims recoverable – capital advance	208,800	208,800	-	80,120	73,394	-
Withholding tax receivable	36,948	30,087	40,020	14,178	10,576	13,600
Others	14,394	7,046	23,483	5,523	2,477	7,980
	260,142	245,933	63,503	**99,820**	86,447	21,580

16. Trade and other receivables - continued

16a) Impairment of trade receivables

As at 31 March 2014, trade receivables of an initial value of ₦49,736 INR 19,084(2012: ₦54,383 INR 19,116) were impaired and provided for. See below for the movements in the provision for impairment of trade receivables.

	Individually impaired	Total
	₦'000	₦'000
At 1 January 2012	72,736	72,736
Charge for the year	-	-
Unused Amount reversed	(18,353)	(18,353)
At 31 December 2012	54,383	54,383
Charge for the year	-	-
Unused Amount reversed	(4,647)	(4,647)
At 31 March 2014	49,736	49,736

	Individually impaired	Total
	INR'000	INR'000
At 1 January 2012	27,910	27,910
Charge for the year	-	-
Unused Amount reversed	(7,042)	(7,042)
At 31 December 2012	20,868	20,868
Charge for the year	-	-
Unused Amount reversed	(1,783)	(1,783)
At 31 March 2014	19,084	19,084

16.1a) Impairment of other receivables

As at 31 March 2014, other receivables of an initial value of ₦213,506 INR 81,925 (2012: ₦213,506 INR 75,049) were impaired and provided for. See below for the movements in the allowance for impairment of other receivables.

	Individually impaired	Total
	₦'000	₦'000
At 1 January 2012	4,706	4,706
Charge for the year	208,800	208,800
Unused Amount reversed	-	-
At 31 December 2012	213,506	213,506
Charge for the year	-	-
Unused Amount reversed	-	-
At 31 March 2014	213,506	213,506

	Individually impaired	Total
	INR'000	INR'000
At 1 January 2012	1,806	1,806
Charge for the year	80,120	80,120
Unused Amount reversed	-	-
At 31 December 2012	81,926	81,926
Charge for the year	-	-
Unused Amount reversed	-	-
At 31 March 2014	81,926	81,926

As at 31 March 2014, the ageing analysis of trade receivables is as follows:

	Neither past due nor impaired	Pas due but not impaired					Total
		1-30 days	**31-60days**	**61-180days**	181-365days	365 and above	
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
31 March 2014	237,233	138,876	32,953	63,871	12,707	113,030	598,670
31 December 2012	-	311,576	**175,746**	100,387	37,356	8,591	633,656
1 January 2012	323	265,180	**98,619**	59,616	285,879	-	709,617

	Neither past due nor impaired	Pas due but not impaired					Total
		1-30 days	**31-60days**	**61-180days**	181-365days	365 and above	
	INR'000	**INR'000**	**INR'000**	**INR'000**	**INR'000**	**INR'000**	**INR'000**
31-Mar-14	91,030	53,289	12,645	24,508	4,876	43,371	229,719
31-Dec-12	-	109,521	61,776	35,287	13,131	3,020	222,734
01-Jan-12	110	90,115	33,513	20,259	97,149	-	241,145

17. Loans and advances

	31 March 2014	**31 December 2012**	1 January 2012
	₦000	**₦000**	**₦000**
Staff Advances	10,166	20,676	23,994
Staff loan	1,798	1,201	253
Impairment of loans and advances	(5,061)	(5,097)	(5,097)
	6,903	16,780	19,150

	31-Mar-14	**31-Dec-12**	01-Jan-12
	INR000	**INR000**	**INR000**
Staff Advances	3,901	7,268	8,154
Staff loan	690	422	86
Impairment of loans and advai	-1,942	-1,792	-1,732
	2,649	5,898	6,508

The staff advances are in respect of short-term advances granted to employees of the Company for travelling and business expenses. The advances are expected to be received within one year. The amount impaired relates long an outstanding advance which is the management has considered doubtful of collection.

17a) Impairment of loans and advances

As at 31 March 2014, loans and advances of an initial value of ₦5,061 INR 1,942 (2012: ₦5,097 INR 1,792) were impaired and provided for. See below for the movements in the provision for impairment of loans and advances.

	Individually impaired	Total
	₦'000	₦'000
At 1 January 2012	5,097	5,097
Charge for the year	-	-
Unused Amount reversed	-	-
At 31 December 2012	5,097	5,097
Charge for the year	-	-
Unused Amount reversed	(36)	(36)
At 31 March 2014	5,061	5,061

	Individually impaired	Total
	INR'000	INR'000
At 1 January 2012	1,956	1,956
Charge for the year	-	-
Unused Amount reversed	-	-
At 31 December 2012	1,956	1,956
Charge for the year	-	-
Unused Amount reversed	(14)	(14)
At 31 March 2014	1,942	1,942

Maturity Profile-Loans and advances

	Carrying amount	Less than one year	1-5 years	Over 5 years	Total
	₦000	₦000	₦000	₦000	₦000
31 March 2014	6,903	5,105	1,798	-	6,903
31 December 2012	16,780	15,579	1,201	-	16,780
1 January 2012	19,150	18,897	253	-	19,150

Maturity Profile-Loans and advances

	Carrying amount	Less than one year	1-5 years	Over 5 years	Total
	INR000	INR000	INR000	INR000	INR000
31 March 2014	2,649	1,959	690	-	2,649
31 December 2012	5,898	5,476	422	-	5,898
1 January 2012	6,508	6,422	86	-	6,508

18. Prepayments

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Rent	89,442	56,426	114,705
Insurance	12,267	23,569	-
Advertising	28,242	6,000	-
Advance to suppliers	834,322	63,546	154,993
	964,273	149,541	269,698

	31-Mar-14	31-Dec-12	01-Jan-12
	INR000	INR000	INR000
Rent	34,320	19,834	38,980
Insurance	4,707	8,285	-
Advertising	10,837	2,109	-
Advance to suppliers	320,142	22,337	52,670
	370,006	52,565	91,650

Advance to suppliers are with respect to advance payments made to vendors in relation to the on-going new factory under construction. The company will receive services in return.

The operating leases in place did not meet definition of a non-cancellable operating lease.

19. Cash and short-term deposit

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Cash at bank	127,531	192,726	71,427
Cash in hand	619	1,502	1,556
Short-term deposit	-	548,257	357,823
	128,150	742,485	430,806

	31 March 2014	31 December 2012	1 January 2012
	INR000	INR000	INR000
Cash at bank	48,936	67,744	24,273
Cash in hand	238	528	529
Short-term deposit	-	192,716	121,597
	49,173	260,988	146,398

Cash at banks earn interest based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Included in short-term deposit is interest receivable on maturity of the term deposit to the tune of nil at 31 March 2014 (2012: ₦1.76 mn INR .68 mn, 2011: ₦11.32 mn INR .45 mn).

For the purpose of the statement of cashflow, cash and cash equivalents comprise the following at 31 December:

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Cash at bank and on hand	128,150	194,228	72,983
Short-term deposit	-	548,257	357,823
	128,150	742,485	430,806

	31 March 2014	31 December 2012	1 January 2012
	INR000	INR000	INR000
Cash at bank and on hand	49,173	68,272	24,801
Short-term deposit	-	192,716	121,597
	49,173	260,988	146,398

20. Issued share capital

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Authorised, issued and fully paid capital			
40,000,000 ordinary shares of N1 each			
A the beginning of the period/year	**40,000**	40,000	40,000
At the end of the period/year	**40,000**	40,000	40,000

	31 March 2014	31 December 2012	1 January 2012
	INR000	INR000	INR000
Authorised, issued and fully paid capital			
40,000,000 ordinary shares of N1 each			
A the beginning of the period/year	**15,349**	14,060	13,593
At the end of the period/year	**15,349**	14,060	13,593

Retained Earnings
The company's retained earnings relates to Company's retained earnings, net of distribution made to equity holders.

Share Premium
The share premium is excess amount received over and above the par value of the shares. They form part of the non-distributable reserves of the Company which can be used only for the purposes specified under Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

21. Interest bearing loans and borrowing

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
At the beginning of the period/year	-	-	-
Borrowing during the period/year	1,245,920	-	-
Accrued interest	14,093	-	-
	1,260,013	-	-
Current	14,093	-	-
Non-current	1,245,920	-	-
	1,260,013	-	-

	31 March 2014	31 December 2012	1 January 2012
	INR000	INR000	INR000
At the beginning of the period/year	-	-	-
Borrowing during the period/year	478,078	-	-
Accrued interest	5,408	-	-
	483,486	-	-
Current	5,408	-	-
Non-current	478,078	-	-
	483,486	-	-

The company obtained a loan of USD $8,000,000 INR 481,927,711 from Ranbaxy Netherlands BV to finance its factory project. The principal amount is to be repaid in 5 equal instalments falling due on November 30 each year starting from 2015. The loan is not secured on any property of the Company. The loan is priced at the rate of 6 monthly US Dollar LIBOR plus 300bp per annum on the principal amount outstanding and shall be calculated on the basis of actual/360 days. The loan is stated at amortised cost using floating interest rates which approximate effective interest rate. The loan is unsecured.

Accrued interest relates to portion of borrowing cost capitalised during the period but not yet paid as at 31 March 2014.

22. Trade and other payable

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Trade payables	621,494	97,325	76,973
Due to related party (Note 24)	661,766	270,473	328,253
Other payables (Note 22.1)	55,915	69,949	86,312
	1,339,175	437,747	491,538

	31-Mar-14	31-Dec-12	01-Jan-12
	INR000	INR000	INR000
Trade payables	238,477	34,210	26,157
Due to related party (Note 24)	253,930	95,073	111,548
Other payables (Note 22.1)	21,455	24,588	29,331
	513,862	153,871	167,036

Trade payables are non-interest bearing and are normally settled between 30-days to 60-day terms. Other payables are non-interest bearing and have an average term of six months to one year.

22.1 Other payables

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Withholding tax payable	31,448	26,053	23,882
Salary Payable	18,399	31,402	35,860
Dividend payable (Note 22.2)	2,252	1,882	1,694
Sales incentives and commission	-	5,918	19,265
Sundry payable	3,816	4,694	5,611
	55,915	69,949	86,312

Withholding Tax Payables are advance tax deducted at source from suppliers payable to Federal and State tax authorities.

Sundry payable consist of value added tax (VAT) payable and provident fund payable.

	31-Mar-14	31-Dec-12	01-Jan-12
	INR000	INR000	INR000
Withholding tax payable	12,067	9,158	8,116
Salary Payable	7,060	11,038	12,186
Dividend payable (Note 22.2)	864	662	576
Sales incentives and commis:	0	2,080	6,547
Sundry payable	1,464.26	1,649.97	1,906.75
	21,455.43	24,587.51	29,330.89

22.2 Dividend paid and approved

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Balance at the beginning	1,882	1,694	1,513
Dividend for 2012: 30kobo per share (2011 & 2010: 40kobo per share)	12,000	16,000	16,000
Dividend paid	(11,630)	(15,812)	(15,819)
Balance at the end	2,252	1,882	1,694

	31-Mar-14	31-Dec-12	01-Jan-12
	INR000	INR000	INR000
Balance at the beginning	722	595	514
Dividend for 2012: 30kobo per	4,605	5,624	5,437
Dividend paid	(4,463)	(5,558)	(5,376)
Balance at the end	864	1	576

The directors did not propose payment of dividend for the 15 months ended 31 March 2014 (2012: 40kobo per share)

23. Provisions

	31 March 2014 ₦'000	31 December 2012 ₦'000	
Balance, beginning of the period/year	57,105	60,709	
Charge for the period/year	56,272	37,836	
Returns during the period/year	(57,105)	(41,440)	
	56,272	57,105	60,709

23. Provisions			
	41,729	41,274	
	INR'000	INR'000	
Balance, beginning of the per	21,912	21,340	
Charge for the period/year	21,592	13,300	
Returns during the period/yea	(21,912)	(14,566)	
	21,592	20,073	21,340

The company accepts returns from its customers, of products that are close to their expiry dates but have not been sold. The estimate of the provision for the returns is made by management based on experience and historical data. The directors expect the outflow of economic benefit to settle the obligation to occur within the next twelve months. Accordingly, the obligation has not been discounted.

24. Related party disclosures

(a) The Company is a subsidiary of Ranbaxy B.V. Netherlands (RNBV). RNBV holds 52.63% of the ordinary share capital of the Company. RNBV is a subsidiary of Ranbaxy Laboratories Limited (RLL) of India while RLL is a subsidiary of Daiichi Sankyo, a company registered in Japan. RLL holds 32.68% of the ordinary shares of the Company.

4. Related party disclosures - continued

Related Party	Nature of transaction	Balance payable	Balance payable	Balance payable
		31 March 2014	31 December 2012	31 December 2012
		₦000	₦000	₦000
Ranbaxy Laboratories Limited (RLL)	The company sources majority of its raw materials and finished goods from RLL. The value of raw materials and finished goods purchased during the period amounted to N1.469 billion INR 544.86 million (2012: N940 million INR 316.50 million). The company has a Technical Know-how Agreement with RLL. The technical Know-how agreement is duly approved by the National Office for Technology Acquisition and Promotion (NOTAP). The fee payable under the agreement is computed as a percentage of net revenue from locally manufactured products. Technical know-how fees for the period amounted to N57 million INR 21.14 miliion (2012: N47 million INR 15.82 million).	(661,766) INR (253,930)	(270,473) INR (95,073)	(328,253) INR (115,383)
Samson Yomi Osewa	Samson Yomi Osewa is a member of the board of directors of the Company. During the year Samson Yomi Osewa provided consultancy services to the Company. Total consultancy fees for the period amounted to N0.8 million INR 2.97 million (2012: N0.8 million INR 2.70 million).	-	-	-
Badru Olaogun Atanda	Badru Olaogun Atanda is the Chairman of the Company. He is a principal partner in Badru Olaogun &. Co, the Company's solicitors. Total legal fees paid to Badru Olaogun & Co during the period amounted to N6.96 million INR 25.82 million (2012: N0.12 million INR .04 million).	-	-	-

24. Related party disclosures - continued

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel

	31 March 2014	31 December 2012	1 January 2012
	₦000	₦000	₦000
Short term employment benefits	12,780	16,492	12,768
Post-employment pension and medical benefits	-	-	-
Other benefit	-	-	-
Total compensation paid to key management personnel	12,780	16,492	12,768

	31 March 2014	31 December 2012	1 January 2012
	INR000	INR000	INR000
Short term employment benefits	4,740	5,553	3,829
Post-employment pension and medical benefits	-	-	-
Other benefit	-	-	-
Total compensation paid to key management personnel	4,740	5,553	3,829

The average number of persons employed by the Company during the period, including directors, was as follows:

	31 March 2014	31 December 2012	As at 1 January 2012
Production	65	50	51
Supply chain	5	5	6
Sales and marketing	95	99	104
Finance and administration	15	15	15
	180	169	176

25. Capital commitments:

The company has the following capital expenditure commitments authorised by the board of directors as at year end:

(i) Approved and contracted – ₦2.3 billion INR 882.54 million (2012: ₦2.1 billion INR 738.16 million)

There is an import finance facility of US $ 2 million INR 119.76 million (2012: US $ 9.2 million INR 502.73 million) from a commercial bank in Nigeria for the importation of equipment for a new factory in respect of the capital commitments above. An unfunded letters of credit (LCs) amounting to US $ 0.24 million INR 14.37 million (2012: US $ 6.9 million INR 377.05 million) has been opened by the Company in relation to the facility.

26. Contingent liabilities

The company is engaged in a lawsuit, which have arisen in the normal course of business. Total claim against the Company and in respect of the litigation amounted to N15 million excluding interest claims on this amount on a compounded basis from the date the claim was filed till the date it is concluded. Based on legal advice received from the Company's solicitors, the directors believe that the Company is not likely to suffer any material loss on conclusion of the litigation. Consequently, no provision has been made in these financial statements (2012: Nil)

27. Events after the reporting period

There were no events after the reporting period which could have a relevant impact on the financial statement of the company that had not been adequately provided for or disclosed in the financial statements.

28. Financial instrument's risk management objectives and policies

The company deploys a number of financial instruments (financial assets and financial liabilities) in carrying out is activities. The key financial liabilities, of the company comprise bank borrowings and trade payables which are deployed purposely to finance the company's operations and to provide liquidity to support the Company's operations. The financial assets of the Company, loans and receivables, trade receivables, and cash and short-term deposits also necessarily required for the operations of the Company.

The principal risks that Ranbaxy Nigeria Limited is exposed to as a result of holding the above financial instruments include market risk, credit risk and liquidity risk. The senior management of the company oversees the management of these risks through the establishment of adequate risk management framework with appropriate approval process, internal control and authority limits. Thus, the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with those policies. The Board of Directors which is responsible for the overall risk management of the Company reviews and agrees policies for managing each of these risks inherent in its involvement in financial instruments as summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include all the trade payables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in %	Effect on profit before tax Strengthening	Effect on profit before tax Weakening
2014		₦ '000	₦ '000
	+/-1	41,796 INR 16,038	(41,796) INR (16,038)

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the goods imported from the parent company. The Company do not hedge their foreign currency transaction but opens a Form M for each foreign transaction to manage the fluctuation of exchange rates.

28. Financial instrument's risk management objectives and policies - continued

Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives). The Company's exposure to foreign currency changes for all other currencies is not material.

Exposure to currency risk

The Company's transactional exposure to US dollar was based on the closing amount as follows:

	31 March 2014	31 December 2012	1 January 2012
	USD '000	USD '000	USD'000
Financial asset			
Cash	7	2	-
Financial liability			
Borrowings	(8,090)	-	-
Trade and other payables	(4,322)	(1,809)	(2,160)
Net statement of financial position exposure	(12,405)	(1,807)	(2,160)

	31 March 2014	31 December 2012	1 January 2012
	INR '000	INR '000	INR'000
Financial asset			
Cash	419	109	-
Financial liability			
Borrowings	(484,431)	-	-
Trade and other payables	(258,802)	(98,852)	(114,894)
Net statement of financial position exposure	(742,814)	(98,743)	(114,894)

The Company profit before tax is affected through the impact of currency rates as follows:

	Percentage	Effect on profit before tax Strengthening	Effect on profit before tax Weakening
		₦'000	₦'000
31 March 2014	USD (5 per cent)	96,288 INR 35,714	(96,288) INR (35,714)
31st December 2012	USD (5 per cent)	14,029 INR (4,724)	(14,029) INR (4,724)
1 January 2012	USD (5 per cent)	16,870 INR 5,059	(16,870) INR(5,059)

The following significant exchange rates were applied during the year:

	2014	2012	2011
	₦	₦	₦
US Dollar	155.24	155.27	156.2
INR	2.6061	2.8449	2.9427

Price risk

The Company is not exposed to significant price risk.

28. Financial instrument's risk management objectives and policies – continued

Credit risk

The Company sells its products through a small number of wholesalers in addition to hospitals, pharmacies, physicians and other groups. Credit risk arises from cash and cash equivalents, and short term deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Company assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The Company also conducts a periodic review of credit limits of their customers. The utilisation of credit limits is regularly monitored to ensure debts are easily collected.

Staff loans are also secured by employee salaries and deductions are made at source.

Outstanding customer receivables are regularly monitored and any deliveries to major customers are generally covered by valid customer order. Customer backgrounds are studied to avoid concentration risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as below:

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Managing Director in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The policies are set and reviewed by the Board annually.

Liquidity risk

Liquidity risk is the risk that an entity is unable to pay its obligations when they fall due. The company monitors its risk to a shortage of funds using a recurring liquidity planning and continuous budget tool. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Board of directors defines the company's liquidity policy annually.

	Carrying Amount	Contractual Cash flow	On demand	Less than 3 months	3 to 12 months	1 to 5 years	5 years
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Year ended 31 March 2014							
Interest bearing loans and borrowings	1,260,013	1,415,063	14,093	-	-	1,146,154	254,816
Trade and other payables	1,339,175	1,339,175	-	-	1,339,175	-	-
Total	2,599,188	2,754,238	14,093	-	1,339,175	1,146,154	254,816
Year ended 31 December 2012							
Trade and other payables	437,747	437,747	-	-	437,747	-	-
Year ended 1 January 2012							
Trade and other payables	491,538	491,538	-	-	491,539	-	-

	Carrying Amount	Contractual Cash flow		Less than	3 to 12	1 to 5	5
			On demand	3 months	months	years	years
	INR'000	INR'000	INR'000	INR'000	INR'000	INR'000	INR'000
Year ended 31 March 2014							
Interest bearing loans and borr	483,486	542,981	5,408	-	-	439,797	97,777
Trade and other payables	513,862	513,862	-	-	513,862	-	-
Total	997,348	1,056,843	5,408	-	513,862	439,797	97,777
Year ended 31 December 2012							
Trade and other payables	153,871	153,871	-	-	153,871	-	-
Year ended 1 January 2012							
Trade and other payables	167,036	167,036	-	-	167,037	-	-

28. Financial instrument's risk management objectives and policies – continued

The table below show financial instruments by their measurement bases:

As at 31 March 2014	Amortised cost	Fair value	Carrying value
	₦000	₦000	₦000
Trade and other receivables	645,306	-	645,306
Cash and short term deposit	128,150	-	128,150
Loans and advances	6,903	-	6,903
Total financial assets	780,359	-	780,359
Interest bearing loans and borrowings	1,260,013	-	1,260,013
Trade and other payables	1,339,175	-	1,339,175
Total financial liabilities	2,599,188	-	2,599,188

As at 31 December 2012	Amortised cost	Fair value	Carrying value
	₦000	₦000	₦000
Cash and short term deposit	742,485	-	742,485
Loans and advances	16,780	-	16,780
Trade and other receivables	666,083	-	666,083
Total financial assets	1,425,348	-	1,425,348
Trade and other payables	437,747	-	437,747
Total financial liabilities	437,747	-	437,747

As at 31 March 2014	Amortised cost	Fair value	Carrying value
	INR000	INR000	INR000
Trade and other receivables	247,614	-	247,614
Cash and short term deposit	49,173	-	49,173
Loans and advances	2,649	-	2,649
	-		-
Total financial assets	299,436	-	299,436
Interest bearing loans and borrow	483,486	-	483,486
Trade and other payables	513,862	-	513,862
	-	-	-
Total financial liabilities	997,348	-	997,348

As at 31 December 2012	Amortised cost	Fair value	Carrying value
	INR000	INR000	INR000
Cash and short term deposit	260,988	-	260,988
Loans and advances	5,898	-	5,898
Trade and other receivables	234,132	-	234,132
Total financial assets	501,019	-	501,019
Trade and other payables	153,871	-	153,871
Total financial liabilities	153,871	-	153,871

29. Fair value

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.

	Carrying Amount			Fair value		
	31 March 2014	**31 December 2012**	1 January 2012	31 March 2014	**31 December 2012**	**1 January 2012**
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Financial liabilities:						
Interest bearing loans	1,260,013	-	-	1,415,063	-	-
Total	1,260,013	-	-	1,415,063	-	-

	Carrying Amount			Fair value		
	31 March 2014	**31 December 2012**	1 January 2012	31 March 2014	**31 December 2012**	**1 January 2012**
	INR'000	INR'000	INR'000	INR'000	INR'000	INR'000
Financial liabilities:						
Interest bearing loans	483,486	-	-	483,486	-	-
Total	483,486	-	-	483,486	-	-

29. Fair value - continued

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Interest bearing loans and borrowings are evaluated by the Company based on parameters such as interest rates that reflects market risk characteristics at the measurement date. The fair value of the loans and borrowing are determined based on the market related rate at the reporting date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 31 March 2014 and 31 December 2012, the Group's financial instruments carried on the statement of financial position are measured at amortized cost as such, level 2 has been used for their fair value determination.

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2014:

	31 March 2014	Level 1	Level 2	Level 3
	₦'000	₦'000	₦'000	₦'000
Liability for which fair value are disclosed (Note 29):				
Interest bearing loans and borrowings	1,415,063	-	1,415,063	-

	31 March 2014	Level 1	Level 2	Level 3
	INR'000	INR'000	INR'000	INR'000
Liability for which fair value are disclosed (Note 29):				
Interest bearing loans and borrowings	542,981	-	542,981	-

There have been no transfers between Level 1 and Level 2 during the period.

Interest bearing loan and borrowings are evaluated by the Company based on parameters such as interest rates that reflects market risk characteristics at the measurement date. The fair value of the loans and borrowing are determined based on DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

30. Capital Management

Capital includes equity attributable to the equity holders of the Company. The primary objective of the company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital on the transition date on 1 January 2012 and during the years ended 31 December 2012 and 31 March 2014

	31 March 2014	**31 December 2012**	1 January 2012
	₦000	**₦000**	**₦000**
Interest bearing loans and borrowing	1,260,013	-	-
Trade and other payables (Note 22)	1,339,175	437,747	491,538
Less: cash and short-term deposits (Note 19)	(128,150)	(742,485)	(430,806)
Net debt	2,471,038	(304,738)	60,732
Equity	2,789,793	2,418,844	2,283,946
Capital and net debt	5,260,831	2,114,106	2,344,678
Debt/equity (%)	**89**	**(13)**	**3**

STATEMENT OF VALUE ADDED
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2014

	15 months to 31 March 2014 N'000	**%**	**12 months to 31 December 2012 N'000**	**%**
Revenue	3,948,119		3,461,396	
Bought in materials and services -Local	(1,546,833)		(1,767,759)	
-Foreign	(1,575,865)		(1,238,708)	
	825,421		**454,929**	
Other Income	60,355		52,467	
Finance income	22,200		30,390	
Value Added	**907,976**		**537,786**	
Applied as follows:				
To employees:				
-as salaries, wages and other related costs	267,311	29	234,720	44
To external providers of capital				
-as bank interest and charges	-	0	-	0
To Government				
-as Company taxes	122,255	13	153,425	29
Retained for the Company's future				
-Depreciation	95,502	11	67,270	12

-Deferred taxation	42,382	5	(68,527)	(13)
-Retained for business	380,526	42	150,898	28
	907,976	**100**	**537,786**	**100**

Value Added represents the wealth which the company has been able to create by its own and its employee's efforts. This statement shows the allocation of that wealth among employees, capital providers, government and that retained for future creation of wealth.

FIVE YEAR FINANCIAL SUMMARY

	<------------------ IFRS	------------------>		<---- LOCAL GAAP	----->
	31-Mar	31-Dec	31-Dec	31-Dec	31-Dec
	2013	**2012**	**2011**	**2010**	**2009**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
CAPITAL EMPLOYED					
Share capital	40,000	40,000	40,000	40,000	40,000
Share premium	38,951	38,951	38,951	38,951	38,951
Retained earnings	2,710,842	2,339,893	2,204,995	1,904,260	1,436,728
	2,789,793	**2,418,844**	**2,283,946**	**1,983,211**	**1,515,679**
ASSETS AND LIABILITIES					
Non-current assets	2,893,241	747,200	401,860	176,974	211,175
Net current assets	1,182,825	1,711,865	1,911,675	1,845,020	1,349,504
	4,076,066	**2,459,065**	**2,313,535**	**2,021,994**	**1,560,679**
Non-current liabilities	(1,286,273)	(40,221)	(29,589)	(38,783)	(45,000)
	2,789,793	**2,418,844**	**2,283,946**	**1,983,211**	**1,515,679**
Revenue	**3,948,119**	**3,461,396**	**3,480,232**	**2,959,430**	**2,975,900**
Profit before taxation	545,163	235,796	467,008	717,688	599,777
Income tax expense	(164,637)	(84,898)	(150,274)	(234,156)	(203,337)
Profit after taxation	**380,526**	**150,898**	**316,734**	**483,532**	**396,440**
Basic earnings per share (₦)	9.51	3.77	7.92	12.09	9.91

			0.30	0.40	0.40
Dividend per share (₦)	-	0.30			

Other than reclassification adjustments, there were no significant remeasurement adjustments that would have been required to make 2009 and 2010 figures, reported under local GAAP, comply with IFRS.

	31-Mar-14	31-Dec-12	01-Jan-12
	INR000	INR000	INR000
Interest bearing loans and borrowing	483,486	-	-
Trade and other payables (Note 22)	513,862	153,871	167,036
Less: cash and short-term deposits (Note 19)	(49,173)	-	-
		(260,988)	(146,398)
Net debt	948,175	(107,117)	20,638
Equity	1,070,486	850,239	776,140
Capital and net debt	2,018,660	743,121	796,778
Debt/equity (%)	**89**	**-13**	**3**

STATEMENT OF VALUE ADDED
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2014

	15 months to 31 March 2014	%	12 months to 31 December 2012
	INR'000		INR'000
Revenue	1,464,382		1,165,453
			-
Bought in materials and services -Local	(573,730)		(595,205)
-Foreign	(584,498)		(417,073)
	306,154		**153,175**
Other Income	22,386		17,666
Finance income	8,234		10,232
Value Added	**336,774**		**181,073**

Applied as follows:				
To employees:				
-as salaries, wages and other related costs	99,147	29	79,030	44
To external providers of capital				
-as bank interest and charges	-	0	-	0
To Government				
-as Company taxes	45,345	13	51,658	29
Retained for the Company's future				
-Depreciation	35,422	11	22,650	12
-Deferred taxation	15,720	5	(23,073)	-13
-Retained for business	141,139	42	50,807	28
	-		-	
	336,774	**100**	**181,073**	**100**

	<------------------- IFRS ------------------->			<---- LOCAL GAAP ----->	
	31-Mar **2013** **INR'000**	31-Dec **2012** **INR'000**	31-Dec **2011** **INR'000**	31-Dec **2010** **INR'000**	31-Dec **2009** **INR'000**
CAPITAL EMPLOYED					
Share capital	15,349	14,060	13,593	11,989	12,568
Share premium	14,946	13,692	13,236	11,675	12,239
Retained earnings	1,040,191	822,487	749,310	570,753	451,432
	1,070,486	**850,239**	**776,140**	**594,416**	**476,239**
ASSETS AND LIABILITIES					
Non-current assets	1,110,180	262,645	136,562	53,043	66,353
Net current assets	453,868	601,731	649,633	552,997	424,026
	1,564,048	**864,377**	**786,195**	**606,041**	**490,379**
Non-current liabilities	(493,562)	(14,138)	(10,055)	(11,624)	(14,139)
	-	-			
	1,070,486	**850,239**	**776,140**	**594,416**	**476,239**
Revenue	**1,464,382**	**1,165,453**	**1,043,704**	**896,362**	**978,625**
Profit before taxation	202,204	79,393	140,053	217,376	197,237
Income tax expense	(61,065)	(28,585)	(45,066)	(70,922)	(66,867)
Profit after taxation	**141,139**	**50,807**	**94,987**	**146,454**	**130,369**

Note : Conversion rate used against Indian Rupees for the year 2014/2013 and 2012 are:
i) Items relating to Profit and Loss account at Average rate: 1 Naira= 2.6961 [2012: 1 Naira =02.9700]
ii) Items relating to Balance sheet at Closing rate: 1 Naira = 2.6061 [2012: 1 Naira=2.8449]