RANBAXY NIGERIA LIMITED

LAGOS, NIGERIA

ANNUAL REPORT
AND
AUDITED FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 MARCH 2015

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CORPORATE INFORMATION

DIRECTORS:	Olaogun Badru Atanda	Chairman
	Mahendra Bharadwaj (Indian)	Vice Chairman
	Bhupendra Singh (Indian)	Managing Director
	Samson Yomi Osewa	
	Malhotra Ashwani Kumar (Indian)	
	Madan Ashish (Indian)	Resigned 13 January 2015
	Banerjee Indrajit (Indian)	
	Suresh Reddy (Indian)	Appointed 13 January 2015

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)
10th & 13th Floor UBA House
57 Marina
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 annual report and the audited financial statements of Ranbaxy Nigeria Limited for the year ended 31 March 2015.

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

	2015	2014
	₦000	**₦000**
Revenue	3,323,292	3,948,119
	========	========
Profit before tax	357,611	545,163
Taxation	(165,415)	(164,637)
	-------------	-------------
Profit after tax	192,196	380,526
	=======	=======

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:

	2015	2014
	Number of shares	Number of shares
Olaogun Badru Atanda	684,104	684,104
Bhupendra Singh (Indian)	-	-
Mahendra Bharadwaj (Indian)	-	-
Samson Yomi Osewa	-	-
Malhotra Ashwani Kumar (Indian)	-	-
Madan Ashish (Indian)	-	-
Banerjee Indrajit (Indian)	-	-
Suresh Reddy (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
SUN Pharmaceutical Industries Limited, India (2014: Ranbaxy Laboratories Limited, India)	32.68	13,070,648	13,070,648
Individual shareholders	14.69	5,877,050	5,877,050
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	100.00	40,000,000	40,000,000
	=====	=========	=========

The ultimate parent company, Ranbaxy Laboratories Limited, India have merged with SUN Pharmaceutical Industries Limited, India with effect from 25 March 2015. Consequently, SUN Pharmaceutical Industries Limited now holds 32.68% equity interest in Ranbaxy Nigeria Limited while the SUN Pharmaceutical Industries Limited Group 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 2015.

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 2015.

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 2015.

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

---------May 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2015

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 year ended 31 March 2015. 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

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Director's name	**Director's name**
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Signature	**Signature**

-------- May 2015

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 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year 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 of Nigeria 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 2015, and of its financial performance and its cash flows for the year 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 of Nigeria 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, FRC/2012/ICAN/00000000141
For Ernst & Young
Lagos, Nigeria

------- May 2015

RANBAXY NIGERIA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	**12 months to 31 March 2015** ₦'000	**15 months to 31 March 2014** ₦'000
Revenue	5	3,323,292	3,948,119
Cost of sales		(1,772,786)	(2,415,822)
Gross profit		**1,550,506**	**1,532,297**
Other income	6	3,947	60,355
Selling and distribution expenses	7	(324,270)	(361,696)
Administrative expenses	8	(872,572)	(707,993)
Operating profit		**357,611**	**522,963**
Finance income	9	-	22,200
Profit before tax		**357,611**	**545,163**
Income tax expense	10a	(165,415)	(164,637)
Profit for the year/period		**192,196**	**380,526**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain on defined benefit plan	14	6,364	3,462
Income tax effect	10b	(1,909)	(1,039)
Other comprehensive income for the year/period		**4,455**	**2,423**
Total comprehensive income for the year/period		**196,651**	382,949
Basic Earnings per share (₦)	11	4.80	9.51

RANBAXY NIGERIA LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	2015	2014
Assets		₦'000	₦'000
Non-current assets			
Property, plant and equipment	12	3,847,686	2,807,053
Intangible assets	13	-	2,215
Net employee defined benefit asset	14	66,424	58,864
Deferred tax assets	10c	28,690	25,109
		3,942,800	2,893,241
Current assets			
Inventories	15	856,606	1,003,111
Trade and other receivables	16	711,885	645,306
Loans and advances	17	9,980	6,903
Prepayments	18	820,650	964,273
Cash and short term deposits	19	457,371	128,150
		2,856,492	2,747,743
Total assets		**6,799,292**	**5,640,984**
Equity and liabilities			
Equity			
Issued capital	20	40,000	40,000
Share Premium	20	38,951	38,951
Retained earnings		2,907,493	2,710,842
Total equity		**2,986,444**	**2,789,793**
Non-current liabilities			
Interest bearing loans and borrowings	21	1,610,707	1,245,920
Employee benefit liability	14	45,791	40,353
		1,656,498	1,286,273
Current liabilities			
Interest bearing loans and borrowings	21	53,265	14,093
Trade and other payables	22	1,872,425	1,339,175
Income tax payable	10c	172,726	155,378
Provisions	23	57,934	56,272
		2,156,350	1,564,918
Total liabilities		**3,812,848**	**2,851,191**
Total equity and liabilities		**6,799,292**	**5,640,984**

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON THEIR BEHALF ON .... MAY 2015

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Chairman	Managing Director	Financial Controller
FRC. No.	**FRC. No.**	**FRC. No.**

RANBAXY NIGERIA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Issued share capital (Note 20) ₦'000	Share premium (Note 20) ₦'000	Retained earnings ₦'000	Total equity ₦'000
As at 1 April 2014	**40,000**	**38,951**	**2,710,842**	**2,789,793**
Profit for the year			192,196	192,196
Other comprehensive income			4,455	4,455
Total comprehensive income	-	-	196,651	196,651
At 31 March 2015	**40,000**	**38,951**	**2,907,493**	**2,986,444**
As at 1 January 2014	**40,000**	**38,951**	**2,339,893**	**2,418,844**
Profit for the period	-	-	380,526	380,526
Other comprehensive income	-	-	2,423	2,423
Total comprehensive income	-	-	382,949	382,949
Dividend (30kobo per share)	-	-	(12,000)	(12,000)
At 31 March 2014	**40,000**	**38,951**	**2,710,842**	**2,789,793**

RANBAXY NIGERIA LIMITED

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	**12 months to 31 March 2015**	**15 months to 31 March 2014**
		₦'000	₦'000
Operating activities			
Profit before tax		357,611	545,163
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	12	95,356	92,226
Amortisation of intangible assets	13	2,215	3,276
Profit on disposal of property, plant and equipment	6	(3,470)	(830)
Finance income	9	-	(22,200)
Employee costs under defined benefit plan	14	4,242	4,584
Exchange difference on interest bearing borrowings		350,694	-
		------------	------------
		806,648	622,219
Working capital adjustments:			
Decrease/(increase) in inventories		145,505	(209,447)
(Increase)/decrease in trade and other receivables		(66,579)	20,777
(Increase)/decrease in loans and advances		(3,077)	9,877
Decrease/(increase) in prepayments		143,623	(814,732)
Increase in trade and other payables		533,324	901,058
Increase/(decrease) in provisions		1,662	(833)
		---------------	-------------
		1,562,106	**528,919**
Tax paid	10c	(153,557)	(128,713)
Employee benefit funded	14	-	(59,854)
		---------------	------------
Cash flows from operating activities		**1,408,549**	**340,352**
		---------------	------------
Investing activities			
Interest received	9	-	22,200
Purchase of property, plant & equipment	12&21	(1,082,724)	(2,212,050)
Proceeds from sale of property, plant and equipment		3,470	873
		---------------	-----------------
Net cash utilised in investing activities		(1,079,254)	(2,188,977)
		---------------	-----------------
Financing activities			
Proceed from borrowings	21	-	1,245,920
Dividend paid	22.2	(74)	(11,630)
		-------	--------------
Net cash (utilised)/provided by financing activities		**(74)**	**1,234,290**
		-------	--------------
Net provided/(decrease) in cash and cash equivalents		329,221	(614,335)
Cash and cash equivalents at the beginning of the year/period	19	128,150	742,485
		-----------	------------
Cash and cash equivalents at the end of the year/period	**19**	**457,371**	**128,150**
		=======	=======

RANBAXY NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.

The ultimate parent company, Ranbaxy Laboratories Limited, India have merged with SUN Pharmaceutical Industries Limited, India with effect from 25 March 2015. Consequently, SUN Pharmaceutical Industries Limited now holds 32.68% equity interest in Ranbaxy Nigeria Limited while the SUN Pharmaceutical Industries Limited Group jointly holds 85.31% of the issued share capital.

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

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.

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 2015 is 12 months with comparative of 15 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 in 2013. The reason for the change in reporting date was to align the Company's accounting year end with that of its parent company. As a result of change in reporting date, amounts presented in the financial statements are not entirely comparable.

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

2.2.1 Current versus non-current classification - continued

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
- 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.

2.2.4 LEASES - continued

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. .

2.2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS - continued

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.

2.2.9 FINANCIAL INSTRUMENTS - continued

Financial Assets -Subsequent measurement - continued

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).

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

2.2.9 FINANCIAL INSTRUMENTS - continued

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 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.

2.2.9 FINANCIAL INSTRUMENTS – continued

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, 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.

2.2.10 TAXES - continued

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:

- Ø 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:

- Ø 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.

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:

- Ø 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
- Ø 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.

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).

2.2.13 EMPLOYEE BENEFIT - continued

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:

- Ø The date of the plan amendment or curtailment, and
- Ø 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):

- Ø Service costs comprising current service costs, past-service costs, and non-routine settlements
- Ø 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 recognised 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 recognised 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
- 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.

2.2.15 FAIR VALUE MEASUREMENT - continued

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.

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 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.

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.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS - continued

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 recognising 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 that became effective on 1 January 2014

The company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2014.

The nature and the impact of each new standard and amendment is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this improvement would be relevant to the Company.

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 and is applied retrospectively. These amendments have no impact on the Company, since the Company has no offsetting arrangements

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Company as the Company has no derivatives.

Recoverable Amount Disclosures for Non-Financial 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. These amendments are not expected to be relevant to the Company.

IFRIC 21 Levies
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Company as it has applied the recognition principles under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with the requirements of IFRIC 21 in prior years.

Annual Improvements 2010-2012 Cycle
In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

4. Standards that became effective on 1 January 2014 - continued

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

Standards issued but not yet effective up to the date of issuance of the Company's financial statements

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Company is an existing IFRS preparer, this standard would not apply.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. It is not expected that this amendment would be relevant to the Company, since there is no contributions from employees or third parties to the Company's defined benefit plans.

4. Standards that became effective on 1 January 2014 - continued

Standards issued but not yet effective up to the date of issuance of the Company's financial statements - continued

Annual improvements 2010-2012 Cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
- 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

IFRS 3 Business Combinations
The amendment is applied prospectively and 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).

IFRS 8 Operating Segments
The amendment is applied retrospectively and clarifies the need for an entity to disclose the judgements made by management in applying the aggregation criteria in IFRS 8.12, 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.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and 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.

Annual improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

IFRS 13 Fair Value Measurement
The amendment is applied prospectively and 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).

4. Standards that became effective on 1 January 2014 - continued

Annual improvements 2011-2013 Cycle - continued

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and 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.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation whilejoint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning

on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Company's financial statements.

Annual improvements 2012-2014 Cycle
These improvements are effective from 1 January 2016 and are not expected to have a material impact on the Company. They include:

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal

The amendment clarifies that changing from one method of disposal to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. The amendment is to be applied prospectively.

IFRS 7 Financial Instruments: Disclosures
Servicing contracts
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

Applicability of the offsetting disclosures to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.

These amendments will not have any impact on the Company as the Company does not prepare interim financial statements.

IAS 19 Employee Benefits: Discount rate: regional market issue
The amendment is to be applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
These amendments will not have any impact on the Company's financial statements.

IAS 34 Interim Financial Reporting: Disclosure of information 'elsewhere in the interim financial report
The amendment is to be applied prospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report).

The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

This amendment will not have any impact on the Company as the Company does not prepare interim financial statements.

IAS 1 Disclosure Initiative – Amendments to IAS 1

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income.

	12 months to 31 March 2015 ₦000	15 months to 31 March 2014 ₦000
5. Revenue		
Sale of goods	3,323,292	3,948,119
	========	========
6. Other Income		
Profit on sale of property plant and machinery	3,470	830
Foreign exchange gains	-	58,870
Sale of scrap	477	655
	---------	---------
	3,947	60,355
	=====	=====
7. Selling and distribution expenses		
Selling and promotion	267,440	291,948
Distribution Charges	55,738	67,702
Others	1,092	2,046
	-------------	-------------
	324,270	361,696
	=======	=======

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

8. Administrative expenses

Staff Cost (8a)	200,570	267,311
Depreciation and amortisation	97,572	95,502
Auditors' remuneration	12,500	12,500
Professional fees	17568	8,120
Transport and travelling expenses	6,668	26,286
Rent	71,504	105,405
Repairs and maintenance	28,267	36,893
Technical know-how expenses	51,523	57,353
Foreign exchange loss - unrealised	59,364	32,426
Foreign exchange loss - realised	263,650	-
Regulatory expenses	11,516	8,397
Impairment of trade and other receivables	8,988	(4,683)
Training	923	4,965
Directors fees	350	260
Bank charges	1,652	2,822
Insurance	6,700	18,644
Printing, stationery and communication	14,715	23,417
Other administrative expenses	18,542	12,375
	-------------	-------------
	872,572	707,993
	=======	=======

8. Administrative expenses - continued

	12 months to 31 March 2015 ₦000	15 months to 31 March 2014 ₦000
8a). Staff Cost		
Included in administrative costs:		
Wages and salaries	158,735	155,576
Workmen and staff welfare	25,413	93,911
Net benefit expense	4,242	4,584
Pension cost	12,180	13,240
	-------------	-------------
	200,570	267,311
	=======	=======

9. Finance Income

Interest received on bank deposit	-	22,200
	=======	======

10. Income tax

The major components of income tax expense for the year ended 31 March 2015 and period ended 31 March 2014 are:

a. Statement of profit or loss	12 months to 31 March 2015 ₦000	15 months to 31 March 2014 ₦000
Current income tax:		
Company income tax charge	131,055	107,230
Education tax	10,065	13,052
Prior year income tax under-provision	29,785	1,973
	------------	-------------
	170,905	122,255
Deferred tax:		
Relating to origination and reversal of temporary differences	(5,490)	42,382
	-------------	-------------
Income tax expense reported in statement of profit or loss	165,415	164,637
	=======	=======

b. Statement of other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the year/period:		
Net gain on actuarial gains and losses	1,909	1,039
Income tax charged to OCI	1,909	1,039
	====	====

RANBAXY NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. Income tax - continued

Reconciliation of income tax expense

Reconciliation between tax expense and the product of accounting profit for the year ended 31 March 2015 is as follows:

	%	12 months to 31 March 2015 ₦000	%	15 months to 31 March 2014 ₦000
Accounting profit before income tax		357,611		545,163
At Nigeria's statutory income tax rate of 30%	30.0	107,283	30.0	163,549
Education tax	2.8	10,065	2.4	13,052
Adjustments in respect of current income tax previous year	8.3	29,785	0.4	1,973
Non-deductible expenses for tax purposes	15.6	55,810	27.8	151,822
Non-taxable income for tax purposes	(10.5)	(37,528)	(30.4)	(165,759)
Income tax expense reported in statement of profit or loss	46.2	165,415	30.2	164,637

c. Statement of financial position

	2015 ₦000	2014 ₦000
Income Tax		
At the beginning of the year/period	155,378	161,836
Tax charge for the year/period	170,905	122,255
Payment during the year/period	(153,557)	(128,713)
At the end of the year/period	172,726	155,378
Deferred Tax		
At the beginning of the year/period	25,109	68,530
Tax income/(expense) during the year/period recognised in profit or loss	5,490	(42,382)
Tax expense during the year/period recognised in other comprehensive income	(1,909)	(1,039)
At the end of the year/period	28,690	25,109

10. Income tax – continued

Statement of profit or loss and other comprehensive income

	12 months to 31 March 2015	15 months to 31 March 2014
	₦000	**₦000**
Charged to profit or loss	(5,490)	42,382
Recognised in other comprehensive income	1,909	1,039
	----------	-----------
Deferred tax (credit)/charge	(3,581)	43,421
	=====	======

Deferred tax relates to the following:

	Statement of financial position		Statement of profit or loss and other comprehensive income	
	2015	**2014**	**12 months to 31 March 2015**	**15 months to 31 March 2014**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Accelerated depreciation for tax purposes	67,329	75,397	(8,068)	47,061
Impairment of trade receivables	(83,187)	(80,491)	(2,696)	1,848
Employee benefit scheme	4,281	(12,106)	16,387	(41)
Revaluation impact on trade and other payables	(17,809)	7,933	(25,742)	6,972
Provision for return of expired goods	-	(16,881)	16,881	(14,952)
Provision for leave encashment	(1,213)	-	(1,213)	1,494
Remeasurement gains and losses	1,909	1,039	870	1,039
	-----------	------------	-----------	----------
Deferred tax (income)/expense			**(3,581)**	**43,421**
			======	======
Deferred tax assets	(28,690)	(25,109)		
	======	======		

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.

	12 months to 31 March 2015	15 months to 31 March 2014
	₦000	₦000
Net profit attributable to ordinary equity holders	192,196	380,526
	======	=====
	2015	2012
	Thousands	**Thousands**
Weighted average number of ordinary shares in issue	40,000	40,000
	=====	=====
Earnings per share - Basic (₦)	4.80	9.51
	====	====

The shares of the Company were not diluted during the year.

12. **Property Plant and Equipment**

	Leasehold Land ₦000	Leasehold Improvement ₦000	Furniture, Fittings ₦000	Motor Vehicles ₦000	Plant and Machinery ₦000	Generator ₦000	Assets in Progress ₦000	Total ₦000
At 1 January 2013	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)
Reclassification								
At 31 March 2014	167,410	114,662	118,313	335,588	338,479	18,456	2,277,737	3,370,645
Additions	-	-	11,331		3,010	-	1,121,648	1,135,989
Disposals	-	-	(494)	(55,495)	-	-	-	(55,989)
At 31 March 2015	167,410	114,662	129,150	280,093	341,489	18,456	3,399,385	4,450,645
Depreciation								
At 1 January 2013	-	107,765	75,344	181,912	103,008	15,880	-	483,909
Charge for the year	-	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
Charge for the period	-	2,797	12,409	49,368	30,176	606	-	95,356
Disposals	-	-	(494)	(55,495)	-	-	-	(55,989)
At 31 March 2015	-	114,662	99,084	217,886	152,871	18,456	-	602,959
Net book value:								
At 31 March 2014	167,410	2,797	31,144	111,575	215,784	606	2,277,737	2,807,053
At 31 March 2015	167,410	-	30,066	62,207	188,618	-	3,399,385	3,847,686

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

13. Intangible assets

	Computer Software
Cost:	**₦000**
At 1 January 2013	13,137
Cost capitalised for the period	-
At 31 March 2014	13,137
Cost capitalised for the year	-
At 31 March 2015	13,137
Accumulated amortisation:	
At 1 January 2013	7,646
Amortisation for the period	3,276
At 31 March 2014	10,922
Amortisation for the year	2,215
At 31 March 2015	13,137
Carrying amount:	
At 31 March 2014	2,215
At 31 March 2015	-

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 2014, the scheme was not funded. However, with effect from January 2014, a plan asset has been set aside; being managed by Stanbic IBTC, 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. Because of the volatility in the capital market, the Company's management aim to invest mainly in fixed income securities including government bonds.

Management is of the view that the plan would not expose the Company to any form of risk as about 96% of the plan asset is invested in Federal government bonds and Treasury bills.

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)

	12 months to 31 March 2015 ₦'000	**15 months to 31 March 2014 ₦'000**
Current service cost	7,018	7,756
Interest cost on benefit obligation	5,465	6,506
Interest return on plan assets	(8,241)	(9,678)
	----------	-----------
Net benefit expense	4,242	4,584
	=====	=====

14. Employee benefit plan – continued

2015 changes in the defined benefit obligation and fair value of plan assets

		Pension cost charged to profit or loss				Remeasurement (gains)/losses in other comprehensive income					
	1 April 2014 ₦'000	Service cost ₦'000	Net Interest Income ₦'000	Sub-total included in profit or loss ₦'000	Benefit paid ₦'000	Return on plan (excluding amounts included in net interest expense ₦'000	Actuarial changes arising from changes in demographic assumptions ₦'000	Actuarial changes arising from changes in financial assumptions ₦'000	Sub-total included in OCI ₦'000	Contribution by employer ₦'000	31 March 2015 ₦'000
Defined benefit obligation	(40,353)	(7,018)	(5,465)	(12,483)	2,246	-	-	4,799	4,799	-	(45,791
Fair Value of Plan	58,864	-	8,241	8,241	(2,246)	1,565	-	-	1,565		66,424
	-----------			----------	---------	--------	--------	---------	--------	--------	-------
	18,511			(4,242)	-	1,565	-	4,799	6,364	-	20,633
	======			======	====	=====	====	=====	=====	=====	======

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.

14. Employee benefit plan – continued

2014 changes in the defined benefit obligation and fair value of plan assets

		Pension cost charged to profit or loss				Remeasurement (gains)/losses in other comprehensive income					
	1 January 2014	Service cost	Net Interest Income	Sub-total included in profit or loss	Benefit paid	Return on plan(excluding amounts included in net interest expense	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Sub-total included in OCI	Contribution by employer	31 March 2014
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Defined benefit obligation	(40,221)	(7,756)	(6,506)	(14,262)	10,745	-	-	3,385	3,385	-	(40,353)
Fair Value of Plan	-	-	9,678	9,678	(10,745)	77	-	-	77	59,854	58,864
	(40,221)			(4,584)	-	77	-	3,385	3,462	59,854	18,511

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.

14. Employee benefit plan - continued

The major categories of plan assets of the fair value of the total plan assets are as follows:

	2015	2014
	₦000	₦000
Investments quoted in active markets:		
Treasury bills	26,889	19,711
Bonds issued by Nigerian Government	37,112	32,216
Cash and cash equivalents	2,423	6,937
	66,424	58,864

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

Financial Assumptions (Long Term Average)	**2015**	**2014**
	%	%
Discount Rate (per annum)	15	14
Average Pay Increase (per annum)	12	12
Average inflation rate (per annum)	9	9

Demographic Assumptions

Mortality in service

Sample age	Number of deaths in the year out of 10,000 lives	
25	7	7
30	**7**	**7**
35	**9**	**9**
40	**14**	**14**
45	**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
31 – 39	1.5	1.5
40-44	1.0	1.0
44-50	0	0

14. Employee benefit plan - continued

A quantitative sensitivity analysis for significant assumption as at 31 March 2015 is as shown below:

Assumptions	**Discount rate**		**Future salary**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
	₦'000	**₦'000**	**₦'000**	**₦'000**
Impact on defined benefit obligation	(633)	746	789	(677)

Assumptions	**Mortality experience**	
Sensitivity Level	Age rated up by I year	Age rated down by 1 year
	₦'000	**₦'000**
Impact on defined benefit obligation	65	(59)

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 15.33 years (2014: 14.06 years).

As at 31 March 2015, the maturity profile of the plan asset is as stated below:

	Total	**1 – 3 months**	**4 – 6 months**	**7 -12 months**	**1 – 5 years**	**5 years and above**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Bond issued by Nigerian government	37,112	-	-	-	-	37,112
Treasury bills issued by Nigerian government	26,889	-	**2,876**	24,013	-	-
Fixed deposit	2,423	2,423	**-**	-	-	-
	-----------	---------	---------	-----------	---------	-----------
	66,424	**2,423**	**2,876**	**24,013**	-	**37,112**
	======	======	======	======	======	======

15. Inventories

	2015	2014
	₦000	₦000
Raw material	267,859	407,122
Stock work in progress	45,559	34,051
Finished goods	538,952	554,331
Consumables	4,236	7,607
	-------------	----------------
	856,606	1,003,111
	=======	========

During the year ended 31 March 2015, N132,883,319 (2014: N27,379,797) was recognised as an expense for short-dated and defective inventory provision. This is recognised in cost of sales.

16. Trade and other receivables

Trade receivables	709,826	648,406
Impairment of trade receivables (Note 16a)	(56,462)	(49,736)
	-------------	-------------
	653,364	598,670
Other receivables (Note 16.1)	274,289	260,142
Impairment of other receivables (Note 16.1a)	(215,768)	(213,506)
	-------------	------------
	711,885	645,306
	======	======

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

16.1 Other receivable

	2015	2014
	₦000	₦000
Claims recoverable – capital advance	208,800	208,800
Withholding tax receivable	55,653	36,948
Others	9,836	14,394
	------------	-------------
	274,289	**260,142**
	======	======

16. Trade and other receivables - continued

16a) Impairment of trade receivables

As at 31 March 2015, trade receivables of an initial value of ₦56,462,000 (2014: ₦49,736,000) 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 2013	54,383	54,383
Charge for the year	-	-
Unused Amount reversed	(4,647)	(4,647)
At 31 March 2014	49,736	49,736
Charge for the year	6,726	6,726
Unused Amount reversed	-	-
At 31 March 2015	56,462	56,462

16.1a) Impairment of other receivables

As at 31 March 2015, other receivables of an initial value of ₦215,768,000 (2014: ₦213,506,000) 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 2013	213,506	213,506
Charge for the year	-	-
Unused Amount reversed	-	-
At 31 March 2014	213,506	213,506
Charge for the year	2,262	2,262
Unused Amount reversed	-	-
At 31 March 2015	215,768	215,768

As at 31 March 2015, the ageing analysis of trade receivables is as follows:

	Neither past due nor impaired	Past 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 2015	325,085	142,789	45,784	65,124	23,589	50,993	653,364
31 March 2014	237,233	138,876	**32,953**	63,871	12,707	113,030	598,670

17. Loans and advances

	2015	2014
	₦000	₦000
Staff Advances	15,041	10,166
Staff loan	-	1,798
Impairment of loans and advances (Note 17a)	(5,061)	(5,061)
	---------	-----------
	9,980	6,903
	====	=====

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 to long outstanding advance which management has considered doubtful of collection.

17a) Impairment of loans and advances

As at 31 March 2015, loans and advances of an initial value of ₦5,061,000 (2014: ₦5,061,000) 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 2013	5,097	5,097
Charge for the year	-	-
Unused Amount reversed	(36)	(36)
	---------	---------
At 31 March 2014	5,061	5,061
Charge for the year	-	-
Unused Amount reversed	-	-
	----------	----------
At 31 March 2015	5,061	5,061
	=====	=====

Maturity Profile-Loans and advances

	Carrying amount	Less than one year	1-5 years	Over 5 years	Total
	₦000	₦000	₦000	₦000	₦000
2015	9,980	9,980	-	-	9.980
2014	6,903	6,903	-	-	6,903

18. Prepayments

	2015	2014
	₦000	₦000
Rent	111,114	89,442
Insurance	17,609	12,267
Advertising	94,779	28,242
Advance to suppliers	597,148	834,322
	820,650	964,273

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

	2015	2014
	₦000	₦000
Cash at bank	456,508	127,531
Cash in hand	863	619
	457,371	128,150

Cash at banks earn interest based on daily bank deposit rates.

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

	2015	2014
	₦000	₦000
Cash at bank and on hand	457,371	128,150

20. Issued share capital

	2015	2014
	₦000	**₦000**
Authorised, issued and fully paid capital		
40,000,000 ordinary shares of N1 each		
A the beginning of the year/period	**40,000**	40,000
	======	======
At the end of the year/period	**40,000**	40,000
	======	======

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

	2015	2014
	₦000	**₦000**
At the beginning of the year/period	1,260,013	-
Borrowing during the year/period	-	1,245,920
Exchange variation	350,694	
Accrued interest	53,265	14,093
	---------------	---------------
	1,663,972	1,260,013
	========	========
Current	53,265	14,093
Non-current	1,610,707	1,245,920
	---------------	---------------
	1,663,972	1,260,013
	========	========

The company obtained a loan of USD $8,000,000 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 2015.

22. Trade and other payable

	2015	2014
	₦000	₦000
Trade payables	430,487	621,494
Due to related party (Note 24)	1,390,411	661,766
Other payables (Note 22.1)	51,527	55,915
	1,872,425	1,339,175

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

	2015	2014
	₦000	₦000
Withholding tax payable	29,345	31,448
Salary Payable	12,135	18,399
Dividend payable (Note 22.2)	2,178	2,252
Sundry payable	7,869	3,816
	51,527	55,915

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.

22.2 Dividend paid and approved

	2015	2014
	₦000	₦000
Balance at the beginning	2,252	1,882
Dividend for 2013: 30kobo per share	-	12,000
Dividend paid	(74)	(11,630)
Balance at the end	2,178	2,252

The directors did not propose payment of dividend for the years ended 31 March 2015 and 2014.

23. Provisions

	2015 ₦'000	2014 ₦'000
Balance, beginning of the year/period	56,272	57,105
Charge for the year/period	1,662	-
Unused amounts reversed	-	(833)
	57,934	56,272

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.

24. Related party disclosures - continued

Related Party	**Nature of transaction**	**Balance payable**	**Balance payable**
		2015	**2014**
		₦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 year amounted to ₦886 million (2014: ₦1.469 billion). 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 year amounted to ₦51 million (2014: ₦57 million).	**(1,390,411)**	**(661,766)**
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 year amounted to ₦0.8 million (2014: ₦0.8 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 year amounted to ₦6.96 million (2014: ₦6.96 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

	12 months to 31 March 2015	15 months to 31 March 2014
	₦000	₦000
Short term employment benefits	15,705	12,780
Post-employment pension and medical benefits	-	-
Other benefit	-	-
Total compensation paid to key management personnel	15,705	12,780

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

	12 months to 31 March 2015	15 months to 31 March 2014
Production	64	65
Supply chain	5	5
Sales and marketing	105	95
Finance and administration	13	15
	187	180

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 – N2.7 billion (2014: ₦2.3 billion)

There is an import finance facility of US $ 0.5 million (2014: US $ 2 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 letter of credit (LCs) amounting to US $ 0.01 million (2014: US $ 0.24 million) has been opened by the Company in relation to the facility.

26. Contingent liabilities

The company is engaged in a lawsuit instituted by a former employee of the Company. 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 (2014: 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 its 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.

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

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 ₦ '000	Effect on profit before tax Weakening ₦ '000
2015	+/-1	538	(538)
2014	+/-1	247	(247)

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.

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:

	2015	**2014**
	USD '000	USD '000
Financial asset		
Cash	101	7
Financial liability		
Borrowings	(8,361)	(8,090)
Trade and other payables	(5,673)	(4,322)
Net statement of financial position exposure	(13,933)	(12,405)

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

	Percentage	Effect on profit before tax Strengthening ₦'000	Effect on profit before tax Weakening ₦'000
2015	USD (5 per cent)	138,710	(138,710)
2014	USD (5 per cent)	96,288	(96,288)

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

Foreign currency sensitivity - continued

The following significant exchange rates were applied during the year:

	2015	2014
	₦	₦
US Dollar	199.11	155.24

Price risk

The Company is not exposed to significant price risk.

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.

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.

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

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 2015							
Interest bearing loans and borrowings	1,663,972	1,807,423	53,265	-	318,576	1,435,582	-
Trade and other payables	1,842,321	1,842,321	-	-	1,842,321	-	-
Total	3,506,293	3,649,744	53,265	-	2,160,897	1,435,582	-
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	1,307,052	1,307,052	-	-	1,307,052	-	-
Total	2,567,065	2,722,115	14,093	-	1,307,052	1,146,154	254,816

The table below show financial instruments by their measurement bases:

As at 31 March 2015	**Amortised cost**	**Fair value**	**Carrying value**
	₦000	**₦000**	**₦000**
Trade and other receivables	711,885	-	711,885
Cash and short term deposit	457,371	-	457,371
Loans and advances	9,980	-	9,980
Total financial assets	1,179,236	-	1,179,236
Interest bearing loans and borrowings	1,663,972	-	1,663,972
Trade and other payables	1,842,321	-	1,842,321
Total financial liabilities	3,506,293	-	3,506,293

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

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	1,307,052	-	1,307,052
	------------	--------	------------
Total financial liabilities	2,567,065	-	2,567,065
	========	=====	========

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 2015	31 March 2014	31 March 2015	31 March 2014
	₦'000	₦'000	₦'000	₦'000
Financial liabilities:				
Interest bearing loans	1,663,972	1,260,013	1,807,423	1,415,063
	---------------	---------------	----------------	----------------
Total	1,663,972	1,260,013	1,807,423	1,415,063
	========	========	========	========

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.

29. Fair value - continued

Fair value hierarchy

The company 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 2015 and 2014, the Company'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 2015:

	31 March 2015	Level 1	Level 2	Level 3
	₦'000	₦'000	₦'000	₦'000
Liability for which fair value are disclosed (Note 29):				
Interest bearing loans and borrowings	1,663,972	-	1,663,972	-

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

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	-

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 during the years ended 31 March 2015 and 2014

	2015	**2014**
	₦000	**₦000**
Interest bearing loans and borrowing	1,663,972	1,260,013
Trade and other payables (Note 22)	1,872,425	1,339,175
Less: cash and short-term deposits (Note 19)	(457,371)	(128,150)
	---------------	---------------
Net debt	**3,079,026**	**2,471,038**
Equity	2,986,444	2,789,793
	---------------	---------------
Capital and net debt	**6,065,470**	**5,260,831**
	========	========
Debt/equity (%)	**51**	**47**

RANBAXY NIGERIA LIMITED
STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 MARCH 2015

	12 months to 31 March 2015 N'000	%	15 months to 31 March 2014 N'000	%
Revenue	3,323,292		3,948,119	
Bought in materials and services -Local	(1,570,796)		(1,546,833)	
-Foreign	(1,100,692)		(1,575,865)	
	----------------		-----------------	
	651,804		**825,421**	
Other Income	3,947		60,355	
Finance income	-		22,200	
	-------------		-------------	
Value Added	**655,753**		**907,976**	
	======		=======	
Applied as follows:				
To employees:				
-as salaries, wages and other related costs	200,570	31	267,311	29
To external providers of capital				
-as bank interest and charges	-	-	-	-
To Government				
-as Company taxes	170,905	26	122,255	13
Retained for the Company's future				
-Depreciation	97,572	15	95,502	11
-Deferred taxation	(5,490)	(1)	42,382	5
-Retained for business	192,196	29	380,526	42
	-------------	------	-------------	------
	655,753	**100**	**907,976**	**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.

RANBAXY NIGERIA LIMITED
FIVE YEAR FINANCIAL SUMMARY

	<------ IFRS			------>	LOCAL GAAP
	31-Mar	31-Mar	31-Dec	31-Dec	31-Dec
	2015	**2014**	**2012**	**2011**	**2010**
	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	2,907,493	2,710,842	2,339,893	2,204,995	1,904,260
	2,986,444	**2,789,793**	**2,418,844**	**2,283,946**	**1,983,211**
ASSETS AND LIABILITIES					
Non-current assets	3,942,800	2,893,241	747,200	401,860	176,974
Net current assets	700,142	1,182,825	1,711,865	1,911,675	1,845,020
	4,642,942	**4,076,066**	**2,459,065**	**2,313,535**	**2,021,994**
Non-current liabilities	(1,656,498)	(1,286,273)	(40,221)	(29,589)	(38,783)
	2,986,444	**2,789,793**	**2,418,844**	**2,283,946**	**1,983,211**
Revenue	**3,323,292**	**3,948,119**	**3,461,396**	**3,480,232**	**2,959,430**
Profit before taxation	357,611	545,163	235,796	467,008	717,688
Income tax expense	(165,415)	(164,637)	(84,898)	(150,274)	(234,156)
Profit after taxation	**192,196**	**380,526**	**150,898**	**316,734**	**483,532**
Basic earnings per share (₦)	4.80	9.51	3.77	7.92	12.09
Dividend per share (₦)	-	-	0.30	0.30	0.40

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