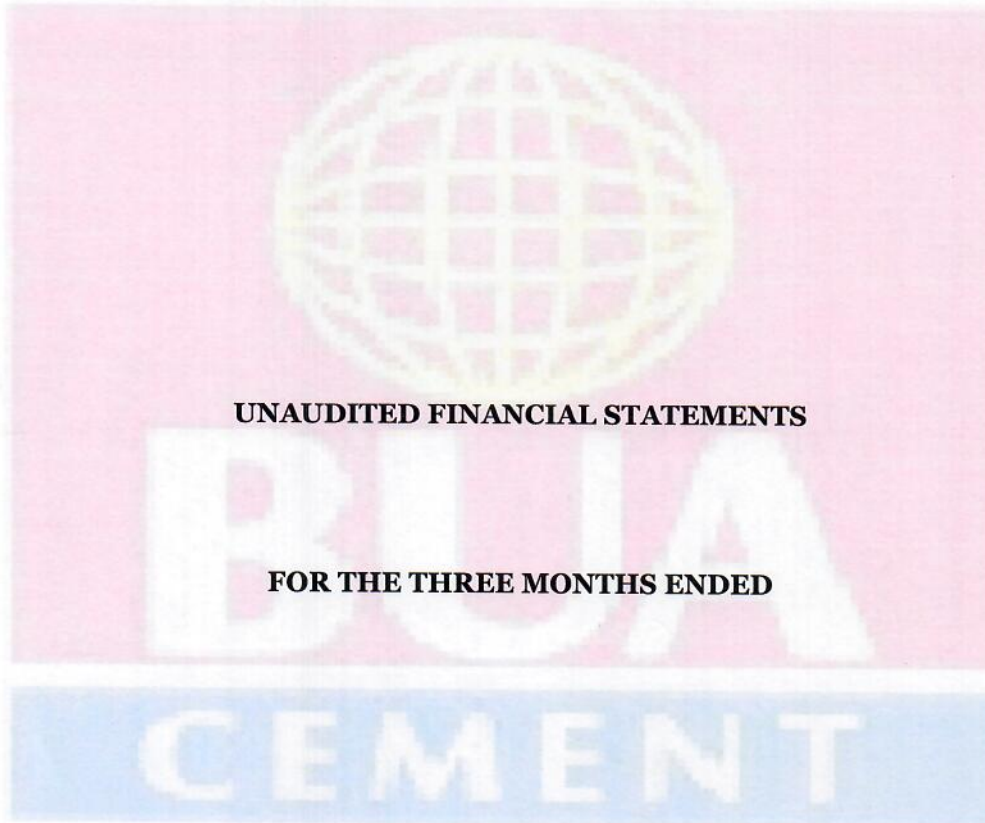


BUA CEMENT PLC

(RC:1193879)



UNAUDITED FINANCIAL STATEMENTS

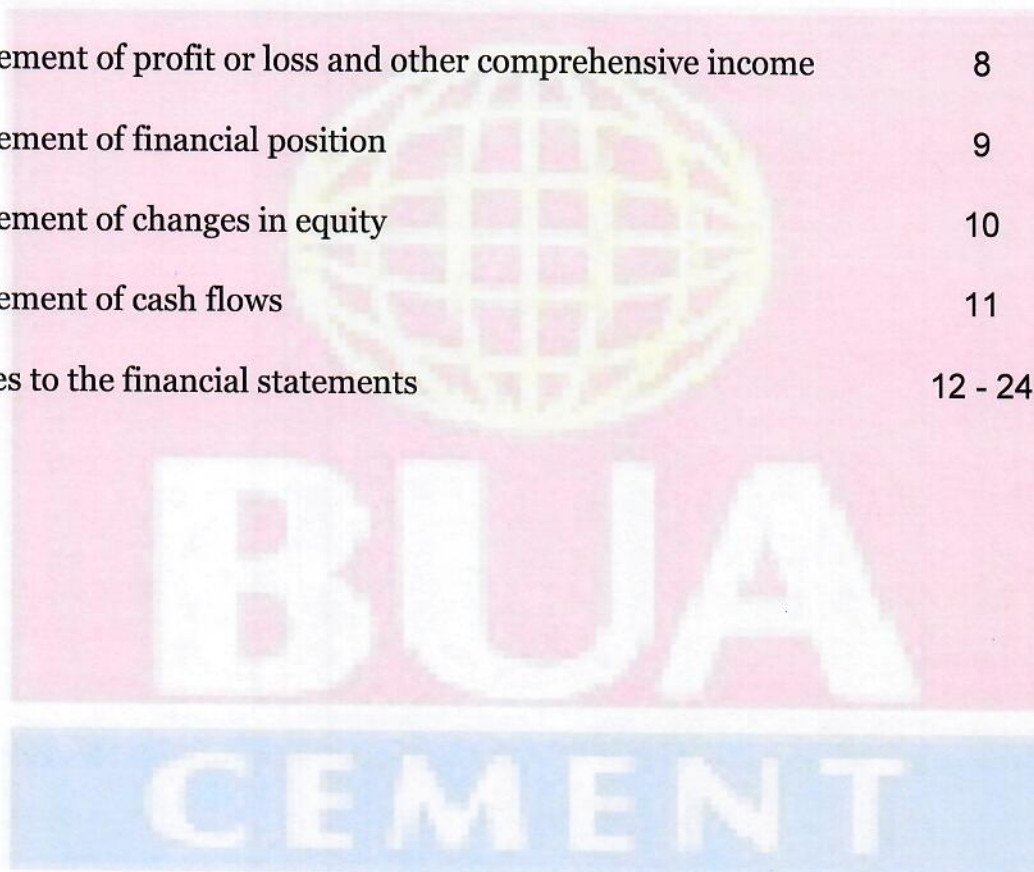
FOR THE THREE MONTHS ENDED

31ST MARCH, 2020

BUA CEMENT PLC
Unaudited financial statements for the three months ended
31st March 2020

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BUA CEMENT PLC

Note 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the company in the preparation of its Financial Statement.

BASIS OF PREPARATION

This Interim Financial Statement has been prepared in compliance with IAS 34 Interim Financial Reporting and relevant International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (the IASB).

These Financial Statements were prepared under the historical cost convention.

The principal accounting policies applied in the presentation of the Financial Statements are set out below.

2. REVENUE

Revenue is measured at fair value of the consideration received or receivable net of value added tax, excise duties, returns, customers discounts and other sales related discounts. Revenue from the sale of products is recognised in profit or loss when the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance and collectibility has been ascertained as probable. Collectibility of customers payment is ascertained on the customers historical records, guarantees provided, the customers industry and advance payments made if any.

The four steps recognition process for revenue is listed below:

- # identify the contract with a customer
- # identify the performance obligation in the contract
- # determine the transaction price
- # allocate the price to the performance obligation
- # recognise revenue

3. COST OF GOODS SOLD

These are the cost of internally produced goods sold. The cost of internally produced goods includes directly attributable costs such as the cost of direct materials, direct labour, and energy costs, as well as production overheads, including depreciation of production facilities. The cost of goods sold includes write-downs of inventories where necessary.

4. SELLING AND DISTRIBUTION EXPENSES

Comprises the cost of marketing, the sales organization, and distribution logistics. The item also includes write-downs of trade receivables.

5. FOREIGN CURRENCY

Transactions entered into by the company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in the income statement, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognized in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation. However, the company does not have hedge as part of its financial instruments. Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognized in profit or loss. Exchange gains and losses on non-monetary available for sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

BUA CEMENT PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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6. FINANCIAL INSTRUMENTS

Financial instruments represent the company's financial assets and liabilities. Financial assets and financial liabilities are recognized on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. These instruments are typically held for liquidity, investment, trading or hedging purposes. All financial instruments are initially recognized at fair value plus directly attributable transaction

recognized immediately in profit or loss. Financial instruments are recognized (derecognized) on the date the company commits to purchase (sell) the instruments (trade date accounting). Financial assets include trade and other receivables, cash and bank balances and certain other assets. Financial liabilities include term loans, bank overdraft, trade and certain other liabilities. The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company's has not classified any of its financial assets as held to maturity.

Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classifications below. The company's accounting policy for each category is as follows:

i. Trade and Other Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company's will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

ii. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

BUA CEMENT PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets carried at amortised cost

The company assesses at each reporting date whether there is objective evidence that trade and other receivables are impaired. Trade and other receivable is impaired if objective evidence indicates that a loss event has occurred after initial recognition and that loss event has a negative effect on the estimated future cash flows of the receivables that can be estimated reliably. Criteria that are used by the company in determining whether there is objective evidence of impairment include:

- known cash flow difficulties experienced by the customer;
- a breach of contract, such as default or delinquency in repayment for goods and service;
- breaches of credit terms or conditions and;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganisation.

Financial liabilities

These include the following items:

i. Bank borrowings

Bank borrowings are initially recognized at fair value net of any transaction costs directly measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the attributable to the issue of the instrument. Such interest bearing liabilities are subsequently liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs, as well as any interest payable while the liability is outstanding.

ii. Trade payables and other short-term monetary liabilities

This are initially recognized at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced either by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets. When such valuation models, with only observable market data as inputs, or the comparison with other observable current market transactions in the same instrument, indicate that the fair value differs from the transaction price, the initial difference, commonly referred to as day one profit or loss, and is recognized in profit or loss immediately. The company does not have any financial instruments (derivatives etc) that warrant valuation method.

Derecognition of financial instruments

Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired, or where the company has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the

BUA CEMENT PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the company is recognized as a separate asset or liability. Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts being recognized in profit or loss.

7. RETIREMENT BENEFITS:

The company operates two defined benefit scheme for its employees:

The company operates a defined pension contribution plans, based on a percentage of pensionable earnings funded by both employer company (11.5%) and employees (8%), the fund of which are generally administered by Pension Fund Administrators. Contributions to these plans are recognized as an expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit schemes

Employees' end of service gratuities are regarded as post employment benefits.

8. INTANGIBLE ASSETS

Cost associated with acquiring software programmes are capitalised at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The accumulated capitalised cost of exploration assets are amortised over the expected total production using a unit of production basis most appropriate amortisation method that reflects the pattern of consumption of the reserves economic benefits.

the company amortises other intangible assets with limited useful life using the straight line method over the asset estimated useful life.

	Useful life(years)
Licenses	2-5
Software	3

9. CURRENT TAXATION

Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

10. DEFERRED TAXATION

Deferred tax is recognized where the carrying amount of an asset or liability in the statement of financial position differs from its tax base. Recognition of deferred tax is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered).

BUA CEMENT PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

11. DIVIDENDS

Dividends are recognized when they become legally payable. Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividend is approved by the company's shareholders at the AGM or when p

12. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. The Company reviews its property, plant and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recorded in the statement of comprehensive income, the company makes

carrying value of property, plant and equipment. Accordingly, provision for impairment is made when there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment. Land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which reporting period. Changes in fair value are recognized in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the transaction, is recognized in profit or loss. credit balance on the revaluation reserve, or reversal of such would be determined using fair value at the end of the Land is not depreciated. Quarry land is depreciated on a straight line basis over the estimated period of use. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives.

It is provided at the following rates:

	Years of useful lives
Land	Not depreciable
Quarry Equipment	6 - 25
Buildings	30-50
Plant and Machinery	3 - 40
Furniture and Fittings	5
Tools and Laboratory equipment	5
Trucks	4
Computer and Office Equipments	5
Motor vehicles	4
Construction Work in Progress	Nil

An item of property, plant and equipment is derecognized 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 charged to income in the year the asset is derecognized. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. Maintenance and normal repairs are charged to income as and when incurred. Assets having cost of less than a pre-determined material amount are charged off when purchased. On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

life of an asset and its residual value, if any, are reviewed annually.

13. CAPITAL WORK-IN-PROGRESS

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of tangible fixed assets in the course of their erection, installation and acquisition. This includes cost of construction, plant and equipment and other direct costs plus borrowing costs which includes interest charges used to finance these projects during the construction period to the extent that they are regarded as an adjustment to borrowing costs. Capital work-in-progress is not depreciated until such time as the assets are completed and ready for operational use which are transferred to the relevant category of property, plant and equipment and depreciated in accordance with the depreciation policy.

14. INVENTORIES

Inventories are stated at the lower of cost and net realizable value after providing for any obsolescence and damages determined by the management. Costs are those expenses incurred in bringing each product to its present location and condition which are computed as follows:

- Raw materials, spare parts and consumables: Actual costs include transportation, handling charges and other related costs.
- Work in progress and finished goods: Cost of direct materials, direct labour and other direct cost plus attributable overheads based on standard costing.
- Finished Goods: Direct cost plus all production overheads.

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal. The company's management determines the estimated amount of slow moving inventories. This estimate is based on the age of items in inventories and this provision is subject to change as a result of technical innovations and the usage of items. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

15. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include:

- Entities over which the company exercises significant influence
- Shareholders and key management personnel of the company.
- Close family members of key management personnel
- Post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the company. The company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using the current market price or admissible valuation methods.

BUA CEMENT PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

of the company. The company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using the current market price or admissible valuation methods.

16. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the statement of financial position date.

17. PROVISIONS

A Provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of

identifiable future payment obligations, risks, and uncertain obligations of the company resulting from current legal or constructive obligations arising from past events where the amount of the obligation can be measured reliably. Such other provisions are mainly due within one year.

18. BORROWING COSTS CAPITALISED

Borrowing costs that relate to qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value, are capitalized. All other borrowing costs are recognized in profit or loss.

19. RIGHT OF USE ASSET

Right of use asset are initially measured at cost comprising of the following:

The Right of Use and lease liability are presented separately from other non-lease assets and liability in the statement of financial position.

20. LEASES

The company primarily leases building used as offices and warehouse. The lease terms are typically for fixed periods ranging from 1 year to 2 years but may have extension options as described below. On renewal of lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts them as a single lease component. Lease terms are negotiated on an individual basis and contain different terms and conditions including expansion and termination options. The lease agreement do not impose any covenants however leased assets may not be used as security for borrowing purposes.

21. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as Bua Cement leadership team which comprises of the Board of Directors and other executive officers.

22. COMPARATIVE FIGURES

Where necessary, comparative figures with notes have been restated to conform to changes in presentation in the current year.

BUA CEMENT PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED


		31ST MAR, 2020 =N=	UNAUDITED 31ST MAR, 2019 =N=
Revenue	2	53,969,024,908	43,133,632,199
Cost of Sales	6a	(29,477,229,735)	(22,081,472,672)
Gross Profit		24,491,795,173	21,052,159,527
Other Income	3	2,294,872,847	1,548,773,012
Selling and Distribution Costs	5	(3,371,818,991)	(2,801,349,957)
Administrative Expenses	6b	(2,430,671,570)	(1,639,693,977)
Operating Profit		20,984,177,459	18,159,888,605
Net Finance Costs	4	(854,833,539)	(765,916,280)
Profit Before Income Taxes		20,129,343,920	17,393,972,325
Income tax(charge)/credit	20	(339,653,048)	(1,711,506,165)
Profit After Income Taxes		19,789,690,872	15,682,466,160
Other Comprehensive Income:		-	-
Total Comprehensive Income		19,789,690,872	15,682,466,160
Basic Earnings Per Share (Kobo)	18	58	46

BUA CEMENT PLC
STATEMENT OF FINANCIAL POSITION AS AT

		31ST MAR, 2020	AUDITED
	Notes	=N=	31ST DECEMBER, 2019
			=N=
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipments	10	392,131,835,500	393,406,271,000
Right of Use Assets	7a	65,205,000	76,503,000
Intangible Assets	11	2,791,991,404	2,781,915,000
Deferred Tax Assets		12,140,877,000	12,140,877,000
Total Non-Current Assets		407,129,908,904	408,408,566,000
CURRENT ASSETS			
Inventories	8	28,241,886,189	27,201,580,000
Due from Related Company	19.1	27,481,480,773	16,753,850,000
Trade and other receivables	9	7,397,431,531	2,618,935,000
Cash and Short Term Deposits	12	17,674,700,687	15,586,664,000
Total Current Assets		80,795,499,180	62,161,029,000
TOTAL ASSETS		487,925,408,084	470,566,595,000
EQUITY			
Share Capital	13	16,932,177,000	16,932,177,000
Retained Earnings		166,623,478,872	146,833,788,000
Reorganization Reserve	13.2	200,004,179,000	200,004,179,000
Other Reserves			
Actuarial Reserves	13.3	(72,902,000)	(72,902,000)
Total Equity		383,486,932,872	363,697,242,000
LIABILITIES AND EQUITY			
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liability	7b	6,675,000	6,675,000
Deferred Income Tax Liabilities	20b	7,492,289,000	7,492,289,000
Employee Benefit Liability	16	2,876,402,207	2,908,526,000
Total Non-Current Liabilities		10,375,366,207	10,407,490,000
CURRENT LIABILITIES			
Trade and Other Payables	17	60,385,527,238	69,210,803,000
Due to Related Companies	19.2	434,759,865	918,741,000
Income Tax Liability	20a	878,319,319	813,724,000
Borrowings	14	28,278,205,083	21,423,504,000
Lease liability	7b	30,483,073	41,677,000
Deferred Revenue		5,701,000	5,701,000
Decommission Liability	18	4,050,113,427	4,047,713,000
Total Current Liabilities		94,063,109,005	96,461,863,000
Total Liabilities		104,438,475,212	106,869,353,000
TOTAL LIABILITIES AND EQUITY		487,925,408,084	470,566,595,000

The financial statements and notes on pages 8 to 24 were approved by the Board of Directors on 3rd June, 2020 and signed on its behalf by:


Engr Binji Yusuf
 Managing Director/ CEO
 FRC/2013/NSE/00000001746


Mr Chikezie Ajaero
 Chief Financial Officer
 FRC/2014/ICAN/00000010408

BUA CEMENT PLC

UNAUDITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31ST MAR, 2020**

	SHARE CAPITAL =N=	REORGANIZATION RESERVE =N=	RESERVE ON ACTUARIAL VALUATION OF DEFINED BENEFIT PLAN	RETAINED EARNINGS =N=	TOTAL EQUITY =N=
Balance at 1 January 2020	16,932,177,000	200,004,179,000	(72,902,000)	146,833,788,000	363,697,242,000
Merger Shares	-	-	-	-	-
Profit for the period	-	-	-	19,789,690,872	19,789,690,872
Other comprehensive income for th	-	-	-	-	-
Transactions with owners					
Dividend	-	-	-	-	-
Balance at 31 March, 2020	16,932,177,000	200,004,179,000	(72,902,000)	166,623,478,872	383,486,932,872
Balance at 1 January 2019	16,932,177,000	200,004,179,000	194,926,000	91,480,902,000	308,612,184,000
Profit for the period	-	-	-	60,610,286,000	60,610,286,000
Other comprehensive income for th	-	-	(267,828,000)	-	(267,828,000)
Transactions with owners					
Issue of shares for business combin	-	-	-	-	-
Dividend paid	-	-	-	(5,257,400,000)	(5,257,400,000)
Balance at 31 Dec., 2019	16,932,177,000	200,004,179,000	(72,902,000)	146,833,788,000	363,697,241,000

BUA CEMENT PLC

**STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED**

	31ST MAR, 2020 =N= 000	UNAUDITED 31ST MAR, 2019 =N= 000	AUDITED 31ST DEC, 2019 =N= 000
Cash Flows From Operating Activities			
Profit before income taxes	20,129,344	17,393,972	66,235,964
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	3,602,795	2,918,982	13,946,325
Amortisation and impairment of intangible assets	38,512	17,015	147,968
Write off of Intangible assets			12,477
Unrealised foreign exchange losses			183,227
Net impairment gain/loss on financial asset			(3,758,227)
Net Finance Cost			5,192,054
Interest	854,834	750,917	-
Profit/loss on disposal of Property, plant & equipment	-	-	(253)
Depreciation of right of use asset			37,771
Provision for end of service benefit obligation			390,955
Operating profit before working capital changes	24,625,485	21,080,886	82,388,261
Working Capital Adjustments:			
(Increase)/Decrease in trade and other receivables	-4,778,497	(7,534,235)	(185,359)
(Increase)/Decrease in inventories	-1,040,306	2,792,799	-6,268,381
(Increase)/Decrease in due from related parties	-10,727,631	-11,973,417	51,623,522
Increase/(decrease) in due to related parties	-483,981	-11,592,881	-125,665,738
Increase in prepayment (right of use asset)			-76,503
Increase/(Decrease) in trade and other payables	(8,825,276)	34,783,724	2,054,932
Increase in contract liabilities			24,932,114
Decrease in deferred income			(26,287)
Increase/(Decrease) in provisions	2,400	2,400	-
Increase/(Decrease) in End of Service Benefit	-	(946,545)	-
Cash generated from operations	(1,227,805)	26,612,730	28,776,561
Defined benefit paid during the year	(32,124)	(70,108)	(66,821)
Interest received			100,340
Interest paid			(432,317)
Tax paid	(275,058)	(334,064)	(1,919,290)
Net cash flow from operating activities	(1,534,987)	26,208,557	26,458,473
Investing Activities			
Purchase of property, plant and equipment	(2,317,061)	(12,680,467)	(22,793,734)
Intangible assets	(48,589)	(16,730)	(460,335)
Fixed Assets Transfer	-		
Proceeds from disposal (Noncurrent assets & scrap)		4,169	259
Net cash flows used in investing activities	(2,365,650)	(12,693,027)	(23,253,810)
Financing Activities			
Lease Liabilities payment	(11,194)		(5,394)
Dividend paid to equity holders	-	-	(5,257,400)
Interest Paid	(854,834)	(750,917)	-
Loan Received	6,854,701	3,734,039	57,299,074
Interest repayment on borrowing			(2,478,445)
Repayment of borrowings		(178,384)	(39,905,311)
Net cash flows used in financing activities	5,988,674	2,804,738	9,652,524
Net increase in cash and cash equivalents	2,088,036	16,320,268	12,857,187
Cash and cash equivalents at Beginning	15,586,664	2,713,051	2,713,051
Effect on exchange rate difference			16,426
Cash and cash equivalents at End (Note 7)	17,674,700	19,033,319	15,586,664

BUA CEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2020

2. NET REVENUE	31 March, 2020	31 March, 2019
	=N=	=N=
Sale of Cement	53,969,024,903	43,133,632,199
Sale of Cement	53,969,024,903	43,133,632,199

3. OTHER INCOME	31 March, 2020	31 March, 2019
	=N=	=N=
Haulage income on goods delivery	2,257,625,000	1,545,225,000
Sundry income	12,085,810	1,761,510
Insurance claim	25,092,576	1,783,562
Reimbursements received from customer for haulage cost		-
Sales of scrap		-
Realisation account	69,461	-
Net reversal impairment		-
Gain on remeasurement of identifiable assets		-
Amortisation of deferred income (Note 21)	-	-
Profit on disposal of property, plant and equipment	-	-
	2,294,872,847	1,548,770,072

4. NET FINANCE COST	31 March, 2020	31 March, 2019
	=N=	=N=
Interest on loans	880,240,247	777,727,280
Interest Received	(20,951,708)	(1,784,000)
Interest on EOSB	(4,455,000)	(10,027,000)
	854,833,539	765,916,280

5. SELLING & DISTRIBUTION COSTS	31 March, 2020	31 March, 2019
	=N=	=N=
Included in selling and distribution cost:		
Marketing Expenses & Other Overheads	98,472,123	140,559,453
Distribution Costs	3,102,847,949	2,471,360,966
Salaries, Wages & Benefits	170,498,920	189,429,536
	3,371,818,991	2,801,349,955

6. MAJOR COMPONENT OF COST OF SALES & ADMIN. EXPENSES

6a Major items of Direct cost of sales include tl	31 March, 2020	31 March, 2019
	=N=	=N=
Depreciation (Factory)	2,988,171,170	2,707,302,290
Repairs & Maintenance	1,535,778,083	648,372,037
Energy cost	10,635,535,603	8,588,337,317

BUA CEMENT PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020**

6b. Major items of administrative expenses	31 March, 2020	31 March, 2019
Profit before taxation:	=N=	=N=
Depreciation (Admin.)	603,325,716	228,645,070
Salaries, Wages & Benefits (Including pension and gratuity)	287,376,378	456,186,455
Technical & Management fees	515,350,842	951,345,217
Auditors Fees	-	13,937,942
Board of Directors' expenses	2,232,000	157,254,800
7a. RIGHTS OF USE ASSET	31 March, 2020	31 December, 2019
	=N=	=N=
Building at Cost	76,503,000	8,378,000
Additions	-	105,896,000
Depreciation of ROU	(11,298,000)	(37,771,000)
Balance at end of period	<u>65,205,000</u>	<u>76,503,000</u>
7b. LEASES LIABILITIES		
Opening balance	48,352,000	6,298,000
Additions		41,621,000
Interest expense		5,827,000
Payments	(11,193,927)	(5,394,000)
	<u>37,158,073</u>	<u>48,352,000</u>
8. INVENTORIES	31 March, 2020	31 December, 2019
	=N=	=N=
Fuel	4,804,579,897	2,214,732,000
Engineering Spares	8,963,611,849	7,689,001,000
Packing materials	381,571,916	407,210,000
Raw materials	11,024,349,946	9,995,991,000
Goods in transit	1,595,223,308	1,324,121,000
Work in progress	1,232,955,447	5,003,527,000
Finished goods	239,593,826	566,998,000
	<u>28,241,886,189</u>	<u>27,201,580,000</u>

There is no amount of write-down of inventories recognised as an expense during the period.
None of the inventories of the company were pledged as security for loans as at the reporting date.

BUA CEMENT PLC

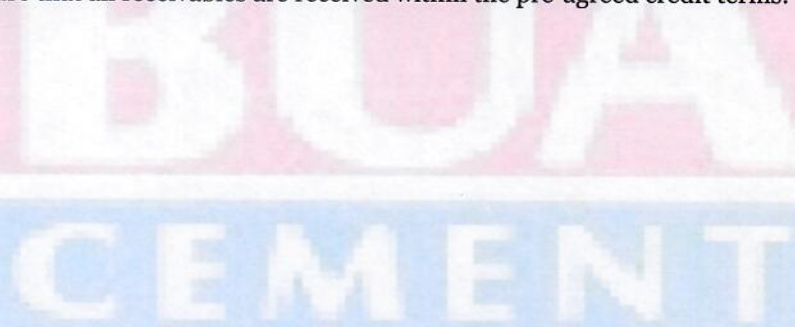
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020**

9. TRADE AND OTHER RECEIVABLES	31 March, 2020	31 December, 2019
	=N=	=N=
Trade Receivables	82,832,315	349,445,000
Advance to Suppliers	3,143,332,946	1,179,265,361
Prepayments	2,061,630,631	1,226,858,000
Deposit for assets	2,500,000,000	-
Advance to staff	-	11,441,000
Other receivables	-	242,290,000
Less Impairment	(390,364,361)	(390,364,361)
	<u>7,397,431,531</u>	<u>2,618,935,000</u>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The Company strictly deals on cash and carry basis with the exception of three corporate client in the construction industry whom have a corporate guaranteed bond in place with a spelt out pre-agreed credit terms. Trade Receivables are not interest bearing.

The average credit period of the company's sales is 30 days. The company has financial risk management policies in place to ensure that all receivables are received within the pre-agreed credit terms.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020

10. PROPERTY, PLANT & EQUIPMENTS

COST / VALUATION	TOOLS, COMPUTE RS, LABORATORY, OFFICE EQUIPMENTS							TRUCKS	CAPITAL WORK IN PROGRESS	TOTAL
	LAND	BUILDING	PLANT AND MACHINERY	FURNITURE & FITTINGS	QUARRY EQUIPMENTS	MOTOR VEHICLE				
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Balance at 1 January 2020	264,019,000	59,024,054,000	353,667,730,000	443,548,000	4,824,960,000	1,172,769,000	1,212,605,000	8,693,067,000	143,722,000	429,446,474,000
Addition	87,479,980	40,536,000	333,324,225	20,522,220	11	10,996,950	488,000	-	2,023,514,000	2,317,061,386
Disposals/Transfer Impairments	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	351,498,980	59,064,590,000	353,801,254,225	464,070,220	4,824,960,011	1,183,765,950	1,213,093,000	8,693,067,000	2,167,236,000	431,763,535,386
Balance at 1 January 2019	214,372,000	31,750,670,000	311,196,272,000	366,709,000	4,756,970,000	984,856,000	925,005,000	2,443,067,000	57,240,138,000	409,878,059,000
Addition	36,226,000	1,217,242,000	1,407,936,000	76,984,000	1,176,404,000	187,270,000	291,578,000	6,250,000,000	12,845,978,000	23,489,618,000
Transfers	13,421,000	26,056,142,000	43,872,188,000	(145,000)	(1,529,315,000)	643,000	-	-	(69,942,394,000)	-
Reclassification	-	-	(2,868,666,000)	-	-	-	(3,978,000)	-	-	(4,338,126,000)
Disposals	-	-	-	-	-	-	-	-	-	(3,978,000)
Changes in Estimates	-	-	420,901,000	-	-	-	-	-	-	420,901,000
Impairment	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	264,019,000	59,024,054,000	353,667,730,000	443,548,000	4,824,960,000	1,172,769,000	1,212,605,000	8,693,067,000	143,722,000	429,446,474,000

ACCUMULATED DEPRECIATION

Balance at 1 January 2020	-	3,212,638,000	27,741,645,000	266,095,000	1,563,082,000	534,215,000	655,394,000	2,067,134,000	-	36,040,203,000
Charge for the period	-	287,362,734	2,674,521,647	9,555,084	18,160,000	22,372,435	36,211,874	543,313,112	-	3,591,496,886
Disposals	-	-	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	-	3,500,000,734	30,416,166,647	275,650,084	1,581,242,000	556,587,435	691,605,874	2,610,447,112	-	39,631,699,886
Balance at 1 January 2019	-	2,159,395,000	17,654,740,000	234,677,000	1,104,551,000	458,896,000	519,866,000	310,535,000	-	22,442,660,000
Charge for the period	-	1,053,243,000	10,360,930,000	31,416,000	529,310,000	75,319,000	139,506,000	1,756,599,000	-	13,946,325,000
Reclassification	-	-	(274,025,000)	-	(70,779,000)	-	(3,978,000)	-	-	(344,804,000)
Disposals	-	-	-	-	-	-	-	-	-	(3,978,000)
Impairments	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	-	3,212,638,000	27,741,645,000	266,095,000	1,563,082,000	534,215,000	655,394,000	2,067,134,000	-	36,040,203,000

NET BOOK VALUE

Balance at 31 March 2020	351,498,980	55,564,589,266	323,385,087,578	188,420,136	3,243,718,011	627,178,515	521,487,126	6,082,619,888	2,167,236,000	392,131,835,500
Balance at 31 December 2019	264,019,000	55,811,416,000	325,926,085,000	177,453,000	3,261,878,000	638,554,000	557,211,000	6,625,933,000	143,722,000	393,406,271,000

10.1 Revaluation of Property, Plant and Equipment

No recent revaluation has been done by the company. The Directors are of the opinion that the carrying value of property, plant & machinery approximate its fair value. Included in Quarry Equipment is cost relating to restoration of quarry site being mined by the company as at 31 March 2020.

10.2 Depreciation charged during the year are included in:

Cost of Sales	11,495,079,140
Administrative Expenses	2,489,017,810
	<u>13,984,096,950</u>

BUA CEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020

11. INTANGIBLE ASSETS

	LICENSES	EXPLORATION ASSET	SOFTWARE	TOTAL
Cost	=N=	=N=	=N=	=N=
Balance at 1 January 2020	3,025,000	3,060,885,000	67,514,000	3,131,424,000
Addition	-	48,588,582		48,588,582
Disposals	-	-		
Balance at 31 March 2020	3,025,000	3,109,473,582	67,514,000	3,180,012,582
Balance at 1 January 2019	3,025,000	1,135,077,000	29,030,000	1,167,132,000
Addition	-	396,493,000	63,842,000	460,335,000
Reclassification	-	1,529,315,000		1,529,315,000
Write offs			(25,358,000)	(25,358,000)
Balance at 31 December 2019	3,025,000	3,060,885,000	67,514,000	3,131,424,000
Amortisation				
Balance at 1 January 2020	3,025,000	337,673,000	8,811,000	349,509,000
Amortisation	-	38,445,449	66,729	38,512,178
Balance at 31 March 2020	3,025,000	376,118,449	8,877,729	384,996,178
Balance at 1 January 2019	3,025,000	119,144,000	21,474,000	143,643,000
Amortisation	-	147,750,000	218,000	147,968,000
Reclassification		70,779,000		70,779,000
Write Offs			(12,881,000)	(12,881,000)
Balance at 31 December 2019	3,025,000	337,673,000	8,811,000	349,509,000
NET BOOK VALUE				
Balance at 31 March 2020	-	2,733,355,133	58,636,271	2,791,991,404
Balance at 31 December 2019	-	2,723,212,000	58,703,000	2,781,915,000

Intangible assets represent cost of quarry deposits, software license.

Software License

The software license relates to cost of license on software used by the company which is for the period of 5 years. Software license is shown at amortised cost. The license have been acquired with the option to renew at the end of the period.

BUA CEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2020

12. CASH AND SHORT TERM DEPOSITS	31 March, 2020	31 December, 2019
	=N=	=N=
Cash in hand	50,614,329	65,157,000
Cash in Bank	6,893,560,907	13,493,480,000
Fixed deposit	10,307,112,424	1,608,595,000
Unclaimed dividend	423,413,027	419,432,000
	<u>17,674,700,687</u>	<u>15,586,664,000</u>

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

The Company has not pledged part of its short-term deposits in order to fulfil collateral requirements with any Banks. Cash and Bank equivalent is exclusive of overdraft balance.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following as at:

	31 March, 2020	31 December, 2019
	=N=	=N=
Cash in Hand	50,614,329	65,157,000
Cash in bank	7,316,973,934	13,912,912,000
Fixed deposit	10,307,112,424	1,608,595,000
	<u>17,674,700,687</u>	<u>15,586,664,000</u>
	<u>17,674,700,687</u>	<u>15,586,664,000</u>

BUA CEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2020

13. SHARE CAPITAL

13.1a Authorised

40,000,000,000 Ordinary shares of 50k each	<u>20,000,000,000</u>	<u>20,000,000,000</u>
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13.1b Issued and fully paid

33,864,354,864 Ordinary shares of 50k each	<u>16,932,177,432</u>	<u>16,932,177,432</u>
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13.1c Share Capital

In accounting for the merger between Bua Cement PLC and Cement Company of Northern Niger(CCNN) PLC in the year, the balances in these financial statement including share capital were presented as though the merger took effect from when both entities came under common control. As a result, the changes in share capital of Bua Cement with respect to the business combination were applied retrospectively in 2018 & 2019 financial statements

	31 March, 2020 =N=	31 December, 2019 =N=
13.2. Reorganization Reserve		
At the beginning and at the end of the period	<u>200,004,179,000</u>	<u>200,004,179,000</u>

13.3. OTHER RESERVES

Reserve on Actuarial Valuation of Defined Benefit Plan

Balance at the beginning of the year	194,926,000	194,926,000
Actuarial gain/(loss) on defined benefit plan	(267,828,000)	(267,828,000)
Actuarial gain/(loss) on planned assets during the year	-	-
Balance at the end of the year	<u>(72,902,000)</u>	<u>(72,902,000)</u>

BUA CEMENT PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020**

14. BORROWINGS	31 March, 2020	31 December, 2019
	=N=	=N=
Bank loan	11,977,665,995	20,861,438,000
Overdraft	16,300,539,087	562,066,000
Total Borrowings	28,278,205,082	21,423,504,000

The above borrowings are further classified based on average interest rate, maturity and provider of funds:

	Average Interest Rate	Maturity	=N=	=N=
Bank of Industry - Term loan	10%	31 March 2020	91,165,351	167,534,000
First bank - Bank overdraft	14%	28 February 2020	16,300,539,087	562,066,000
First bank - Short term loan	14%	28 February 2020	1,992,915,041	2,113,549,000
First bank - Trade loan	14%	28 February 2020	2,269,543,339	11,013,842,000
First bank - Term loan	14%	28 February 2020	7,624,042,264	7,566,513,000
			28,278,205,082	21,423,504,000

Movement in borrowings are analysed as follows excluding overdraft:

Period Ended 31 March 2020	
Opening amount as at 1 January 2020	21,423,504,000
Net additional borrowings	6,931,069,756
Repayments of borrowings	(76,368,674)
Movement in deferred revenue	-
Closing amount as at 31 March 2020	28,278,205,082
Year Ended 31 December 2019	
Opening amount as at 1 January 2019	3,937,768,000
Additional drawdowns in the year	56,737,008,000
Principal repayments	(39,905,311,000)
Interest expenses	3,132,484,000
Interest repayments	(2,478,445,000)
Closing amount as at 31 December 2019	21,423,504,000

BUA CEMENT PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020**

14. BORROWINGS (CONTINUED)

14.1 BANK OVERDRAFT	31 March, 2020	31 December, 2019
	=N=	=N=
First bank of Nigeria Limited	16,300,539,087	562,066,000
	16,300,539,087	562,066,000

14.2 SHORT TERM LOAN	31 March, 2020	31 December, 2019
	=N=	=N=
First bank of Nigeria Limited	11,977,665,954	20,683,904,000
	11,977,665,954	20,683,904,000

First Bank of Nigeria - Term Loans

The facilities were for part finance of construction of cement plant, importation of spare parts and raw materials.

First Bank of Nigeria - Overdraft

The Bank overdraft was to augment working capital requirement

All the facilities were secured with a debenture on fixed and floating assets of BUA Cement Plc., corporate guarantee of BUA International Ltd and personal guarantee of Alhaji Abdulsamad Rabiu

Bank of Industry (BOI) - Term Loans

The facilities were obtained to replace the Plant Electronic Precipitator Filter and to acquire dump trucks for the company's operations. The loans are guaranteed by Polaris Bank Limited (formerly Skye Bank PLC).

15. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares outstanding at the end of reporting period

	31 March, 2020	31 March, 2019
	=N=	=N=
Net profit attributable to ordinary equity holders	19,789,690,872	15,682,466,160
	Number	Number
Weighted average number of ordinary shares	33,864,354,864	33,864,354,864
Basic Earning Per Ordinary Shares (kobo)	58	46

Diluted earnings per ordinary shares

The Company has no dilutive instruments.

BUA CEMENT PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020**

16. EMPLOYEE BENEFITS OBLIGATION

	31 March, 2020	31 December, 2019
	=N=	=N=
Present value of defined benefit plan	<u>2,876,402,207</u>	<u>2,908,526,000</u>

	31 March, 2020	31 December, 2019
	=N=	=N=
Reconciliation of change in defined benefit Obligation		
Defined Benefit Obligation opening	2,908,526,000	2,201,781,000
Current service cost	-	152,276,000
Interest cost		305,426,000
Plan amendment		(66,747,000)
Plan participant contribution		(32,166,000)
Acturial (gains)/losses- Change in assumption		334,177,000
Acturial (gains)/losses- Experience adjustment		48,434,000
Benefit Payment	(32,123,793)	(34,655,000)
As at Ending	<u>2,876,402,207</u>	<u>2,908,526,000</u>

Included in Bank balance is a balance of N1,321,436,711.00 set aside in an End of Service Benefit account with Zenith bank to meet retirement commitment of the company. The funded status of the defined Benefit for the period in view is:

Defined benefit liability	2,876,402,207	2,908,526,000
Plan asset with Zenith bank	(1,321,436,711)	(1,301,709,065)
	<u>1,554,965,496</u>	<u>1,606,816,935</u>

The company operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2004, with contributions based on the sum of employees' basic salary, housing and transport allowance in the ratio 8% by the employee and 11.5% by the employer.

The company's contributions to this scheme is charged to the profit and loss account in the period to which they relate. Contributions to the scheme are managed by IBTC pension manager, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act. Consequently, the company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

The Company also has a retirement benefits policy (unfunded) for all its full-time employees who have served the company for a minimum of 5 years and above. The company has a post-retirement programme for any employee who has attained the terminal age limit of 60 years.

The following tables summarise the movement in the retirement benefit as recognised in the income statement and the funded status and amounts recognised in the statement of financial position:

BUA CEMENT PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020****17. TRADE AND OTHER PAYABLES**

	31 March, 2020	31 December, 2019
	=N=	=N=
Trade Payables	23,180,825,740	21,533,329,000
Contract Liability	18,231,243,184	32,868,945,000
Unclaimed dividend	423,413,027	419,432,000
Statutory obligations and other accruals	18,550,045,287	14,389,097,000
	<u>60,385,527,238</u>	<u>69,210,803,000</u>

**18. DECOMMISSIONING LIABILITY
(Recultivation)**

	=N=	=N=
Opening balance as at January 1,	4,047,713,000	3,346,240,000
Additional provision made	2,400,000	-
Increase/(Decrease) as a result of change in estimate		420,901,000
Additional discount due to passage of time		280,572,000
Closing Balance	<u>4,050,113,000</u>	<u>4,047,713,000</u>

Provision for decommissioning liabilities

Quarry Decommissioning provisions relates to expected cost of reclaiming excavated quarry sites into a habitable settlement for farming, local villagers settlement and other uses. It also include provision for other environmental issues.

BUA CEMENT PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020**

19. RELATED PARTIES

Names of related companies

Bua Pasta Limited
Bua International Limited
Edo Cement Company Limited
Nigerian Oil Mills Limited
Bua Oil Mills Limited
SOPON Limited
Bua Ports and Terminal Limited
Bua Transport Limited
Damnaz Cement Limited
Bua Sugar Refinery Limited
Nigerian Oil Mills (UK) Limited
Bua Rice limited
Lafiaji Sugar Limited
Kalambaina Cement company Limited

Relationship

Sister company
Sister company
Sister company
Sister company
Sister company
Sister company
Sister company
Sister company
Sister company
Sister company
Sister company
Sister company
Sister company
Sister company

Outstanding Balances

31 March, 2020

31 December, 2019

=N=

=N=

19.1 Due from Related Entities

Edo Cement Company Ltd	10,617,951	10,617,951
BUA International Ltd	28,254,599,413	18,005,723,000
NOM (UK) Ltd	478,753,900	-
	28,743,971,264	18,016,340,951
Impairment allowance	(1,262,490,488)	(1,262,490,000)
	<u>27,481,480,776</u>	<u>16,753,850,951</u>

19.2 Due to Related Entities

Damnaz Cement Company Ltd	434,759,865	98,487,000
NOM UK		820,254,000
	<u>434,759,865</u>	<u>918,741,000</u>

Receivables from related parties represents advance payments/fund transfers to related parties from the company's account. Conversely, due to related parties represents the amount of money owed to related parties for services rendered to the company.

BUA CEMENT PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020**

20. INCOME TAX CHARGE

The major components of income tax expense for the year ended 31 March, 2020 and 31 December 2019 are:

As Per Income Statement:	31 March, 2020	31 December, 2019
Current Income Tax Charge:	=N=	=N=
Income Tax	332,871,907	11,462,000
Education Tax	6,781,141	460,599,000
Police Trust Fund	-	3,228,000
Adjustment in prior year provision	-	-
	<u>339,653,048</u>	<u>475,289,000</u>
Deferred Tax:	-	5,150,389,000
	-	-
Income Tax Expense Reported in the Income Statement	<u>339,653,048</u>	<u>5,625,678,000</u>

As Per Statement of Financial Position:

20a. Current Income Tax Liabilities

As at Beginning,	813,723,931	2,257,724,744
Current income tax charge for the year	339,653,048	472,061,000
Police Trust Fund	-	3,228,000
	<u>1,153,376,979</u>	<u>2,733,013,744</u>
Less: Payment during the year	<u>(275,057,833)</u>	<u>(1,919,289,813)</u>
As at End,	<u>878,319,146</u>	<u>813,723,931</u>

20b. DEFERRED TAX LIABILITY

31 March, 2020 31 December, 2019

Deferred Tax Relates to the following:

As Per Statement of Financial Position:

Accelerated depreciation for tax purposes	<u>7,492,288,000</u>	<u>7,492,288,000</u>
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As Per Income Statement:

Accelerated depreciation for tax purposes	<u>-</u>	<u>-</u>
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Reconciliation of deferred tax liabilities:

As at Beginning	7,492,288,000	1,288,053,000
Relating to origination and reversal of temporary differences	-	6,319,018,000
Deferred Tax credit for the year	-	(114,783,000)
As at End	<u>7,492,288,000</u>	<u>7,492,288,000</u>