CHELLARAMS PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 MARCH 2024

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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CORPORATE INFORMATION

DIRECTORS, ADVISORS AND REGISTERED OFFICE

Chairman of the Board	Asiwaju Solomon Kayode Onafowokan, OON
Directors	
Managing Director	Chief Suresh M. Chellaram
Director	Alhaji Ahmed Adamu Abdulkadir
Director	Mrs. Angela Morenike Agbe-Davies
Chief Executive Officer	Mr. Aditya Suresh Chellaram
Registered office	Plot 110/114 Oshodi-Apapa Expressway, Isolo, Lagos.
Company Secretary	Ehimare Isiramen Plot 110/114 Oshodi - Apapa Expressway, Isolo, Lagos.
Company Registrar	Greenwich Registrars & Data Solutions Limited 274, Murtala Muhammed Way Alagomeji Yaba, Lagos.
Auditors	PKF Professional Services PKF House 205A Ikorodu Road Obanikoro Lagos.
Bankers	Standard Chartered Bank Nigeria Limited Zenith Bank Plc First City Monument Bank Limited First Bank of Nigeria Limited United Bank of Africa Plc Eco Bank Plc Access Bank Plc Union Bank Plc

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CHAIRMAN’S STATEMENT

Members of the Regulatory Agencies,
Distinguished Shareholders,
Gentlemen of the Press,
Ladies and Gentlemen,

It is my honor to warmly welcome you all to the 75th Annual General Meeting (‘’AGM’’) of our Group and to present to you, my address and the Annual Report and Financial Statements for the Year ended 31st March 2024.

THE ECONOMIC OPERATING ENVIROMENT FOR YEAR 2023
The gradual recovery from cumulative effects of the Covid-19 Pandemic, the 2022 Russian Invasion of Ukraine as well as global cost-of-living crisis leading to world-wide inflationary trends that impacted on economic growth, without exception. In Nigeria, it was a year of unprecedented challenges and uncertainties which culminated into disruptions of economic activities and widespread hardship created by the Naira re-design policy of Central Bank of Nigeria (CBN). The currency crisis that emanated therefore led to contraction of critical sectors of the economy and indeed affected both formal and informal trading activities. The preparation for General Elections scheduled for FEBUARY/MARCH 2023, was not spared.

On assumption of Office by the new Administration of President Bola Ahmed Tinubu -GCFR on 29th May 2023, the removal of subsidy on Premium Motor Spirit (PMS) and the floating of Naira so as to allow market forces to determine Foreign Exchange (Forex) rates created massive devaluation with enormous impact on cost of transportation, energy and other utilities that obviously led to drastic reduction in purchasing power of Consumers.

The difficulty experienced by Manufacturing and Retailers in accessing Forex from Official sources remained volatile with its negative attendant effect on cost of procurement of manufacturing in-puts.

However, the headline inflation rate rose 21.82% in January, 2023 to 28.92% at the end of year 2023 with food inflation equally rising from 24.32% to 33.93% in the same period while cases of Banditry, Kidnapping, Farmer-Herder clashes remain unabated across most parts of Nigeria till date.

OPERATING RESULTS AND PERFORMANCE
Our Group’s Turnover for the Financial Year ended 31st March, 2024 improved to N13.8 Billion as against N 10.56 Billion at 31st March, 2023 while loss of N3.3 Billion was recorded as against Profit of N5.07 Billion as at 31st March, 2023. The loss incurred due to impairment applied by our External Auditors on the treatment of Financials of Subsidiary Companies as well as sharp increase in allowing market forces to determine Forex rates as well as escalated cost of Utilities/Admin Expenses.

DIVIDEND
Unfortunately, despite the determination of your Board of Directors, as reported in my statement last AGM, your Board could not recommend payment of Dividend at today’s AGM. Let’s keep our figures crossed for a positive position come next AGM.

CHAIRMAN'S STATEMENT

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

As we remain resolute to extend CSR to our immediate environment that depends on our Organization year in-year-out, we expended the following on CSR during the Reporting financial year:-

		N
(a)	Scholarship to on-going Nigerian Students	**200,000**
(b)	Bursaries to Sons/Daughters of our employees	**5,474,698**
(c)	Financial Assistance	**680,000**
(d)	Medical Bills Assistance	**761,425**
	Grand Total	**7,116,123**

OUTLOOK

As the President of Federal Republic of Nigeria has signed into law the 2024 Appropriation Act to the value of N 28. 7 Trillion early in the year 2024, it is anticipated that various conscious efforts would be made to streamline fiscal and monetary policies of the Government that should positively moderate contraction in the Export of (Crude Oil/Oil Refining Sector) so as to achieve envisaged Forex Savings which will release funds for other uses with ultimate reduction in forex rates. Equally gratifying is the resumption of allocation of forex to Bureau-De-Change Operators.

Notwithstanding, the challenges faced by our Organization in the last six (6) Years, we salute our Shareholders for their immense understanding, resilience and encouragement in the face of obvious adversity while your Board of Directors remain committed to sustaining strong cost Management Culture with a view to achieving our targeted goal sooner than later. Your abiding faith and confidence at this trying time is not taken for granted.

BOARD, MANAGEMENT AND STAFF

Let me extend, on your behalf, my sincere appreciation to my colleagues on the Board of our Group, for their unflinching support and for agreeing to a 50% reduction in Directors Annual fee from this AGM, after several years of pro-bone services. Let me also express my gratitude to our Staffers for their solid support and understanding in the on-going re-organization embarked upon Three (3) years ago.

Thank you all and God bless you.

ASIWAJU DR. SOLOMON K. ONAFOWOKAN, OON
Chairman
FRC/2015/PRO/ICAN/004/00000010981

Dated: 24 July 2024

Chief Executive Officer's Report

Dear Shareholders and our extended Chellarams Plc family,

The economy continues to challenge Nigerian business as inflation has affected consumer spending power. As most of our customer base is consumer-facing this has had a knock-on effect on our business. Our team has worked well to maintain sales volumes and we see margins increasing in the first quarter of FY 24/25. We expect this trend to continue and will go a long way in providing profits to the company.

We continue to increase the rental revenues at our Isolo property to support our expenses. Likewise, Dynamic Industries Ltd has further expanded its capacity this past year and is actively improving its operations for better quality and operational efficiency. Margins for FY 24/25 have increased in Dynamic's segment of Industrial Packaging and will help reverse the exchange losses incurred in this past year.

Sales of United Technical and Allied Services Ltd (UTAS) have improved in the past year and we expect that their business will benefit from investments in industrial projects and the nation's infrastructure. There is significant improvement in UTAS's after-market maintenance business.

The management has shown tremendous resilience in an extraordinary year by insulating the company as much as possible to devaluation of the currency. In a year where a number of MNC's have announced plans to exit their operations in Nigeria, our management is committed to the success of the Company and Group. We are very optimistic of the results for next year.

We thank you for your continued support and prayers.

Sincerely,

ADITYA S. CHELLARAM

Aditya Chellaram

CHELLARAMS PLC

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2024

In compliance with Section 404(7) of the Companies and Allied Matters Act, 2020 ('The Act'), we, the members of the Audit Committee have reviewed and considered the consolidated and separate financial statements of the Company for the year ended 31 March, 2024 and the reports thereon and confirm as follows:

a) The accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.

b) The scope and planning of the audit requirements were in our opinion adequate,

c) We have reviewed the findings on management matters, in conjunction with the External Auditors and are satisfied with the responses of management thereon.

d) The Company's system of accounting and internal controls were adequate.

e) We have made the recommendations required to be made in respect of the Auditors.

Chairman, Audit Committee
Mr. Ezekiel M. Faniyi - FCA
FRC/2015/ICAN/00000010981

Dated: 24 July 2024

Other Members:

Alhaji Ahmed A. Abdulkadir
Mrs. Morenike Agbe-Davies
Prince Yomi Ogunsowo
Mr. Peter Eyanuku

RC 639
Chellarams Plc
Serving Nigeria Since 1923

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REPORT OF CORPORATE GOVERNANCE

Chellarams Plc, understanding that good corporate governance is essential to earning and retaining the confidence and trust of its stakeholders as well as achieving its vision provides structures upon which the objectives of the Group are set and the means of attaining those objectives. These structures define the powers and responsibilities of its corporate bodies and employees and are reviewed periodically to ensure that proper organization and conduct of the business remain consistent within the Chellarams Group.

There is an effective structure for cooperation amongst the Board of Directors, Management and Internal Control functions in Chellarams Plc. The structure establishes checks and balances and ensures that appropriate controls are in place to provide institutional independence of Board of Directors from the Group Managing Director and the Executive Committee (EXCO), responsible for managing the Group on a day to day basis.

The Group operated within all regulatory guidelines by complying with all applicable laws and regulations such as the Nigerian Code of Corporate Governance in Nigeria, 2018 as well as the Companies and Allied Matters Act, 2020 in relation to its activities and all ethical boundaries by ensuring its business practices are done in line with all applicable governance standards and best business practices.

Chellarams Plc Board composition is made up of Non-Executive and Executive Directors in line with all relevant corporate governance codes. The role of the chairman of the Board and Chief Executive Officer are separated thus providing separation of powers between the two functions and ensuring autonomy of the Board. Additionally, in compliance with the provisions of the various corporate governance codes the Board had put in place various policies as well as established different board committees and to regularly measure the governance structure of the group against best practices. The board similarly maintains oversight function on the company by receiving periodic Management reports on corporate governance to ensure compliance with all corporate governance requirements

The Board

The Board, consisting of Executive and Non-Executive members through the Chairman directs the affairs of Chellarams Plc. Its size provides for sufficient diversity among its members to exercise their business judgment in the best interest of Chellarams Plc's shareholders while facilitating substantial discussions in which each director can participate meaningfully.

The Board has the overall responsibility for supervising the company's business, maintaining adequate and effective internal control system, adding value to shareholders and protecting the interests of other stakeholders.

Internal Organization

The Board is chaired by the Chairman. Board members are also subject to standards of business conduct policies, rules and regulations to avoid conflict of interest and use of insider information.

The Board appoints committees to help carry out its duties. Given the separation of roles of the Chairman and the CEO, the Board appoints Non-Executive Directors as chairmen of Board committees. Board committees work on key issues in greater details than would be possible at full Board meetings, which helps to ensure more effective full Board meetings. Each Board committee reviews the results of its meeting with the full Board.

The Board of Directors met Four (4) times during the financial year ended 31 March 2024 and a record of their attendance is as shown below:

Name of Directors	No. of meetings held	No. of meetings attended
Asiwaju S. K. Onafowokan, OON	4	4
Chief S. M. Chellaram	4	4
Mr. A. S. Chellaram	4	4
Alhaji A. A. Abdulkadir	4	4
Mrs. Morenike Agbe Davies	4	4

The meetings were held on 6th July 2023, 14th September, 2023, 7th December 2023 and 21st February 2024 respectively.

Board Code of Ethics

To avoid unethical and unwholesome practice and conflict of interest in any business relationship with the company, the Board has put in place Code of Business Ethics to provide guidance for the board and staff to maintain strong ethical standards.

Board Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board appointed committees for specific areas from among its members and established terms of reference and rules with respect to delegated authority and reporting to the Board. The primary objective of the Committees is to provide preparatory and administrative support to the Board. The issues considered at Committee meetings are recorded in minutes and reported at the subsequent Board meetings.

The Board has the following standing committees which regularly report to the Board as well as submit proposals for discussions and decision making.

Audit committee

The Committee initially comprised of Five (5) members made up of two Non-Executive Directors and three shareholder representatives. The committee serves as a focal point for communication and oversight regarding Financial Accounting Reporting, Internal Control and Compliances.

The committee met thrice during the financial year ended 31st March 2024 and a record of their attendance is shown below:

Members	No. of meetings held	No. of meetings attended
Mr. Ezekiel Faniyi	3	3
Alhaji Ahmed A. Abdulkadir	3	3

Mr. Peter Eyanuku	3	3
Mrs Angela Morenike Agbe – Davies	3	3
Prince Yomi Ogunsowo	3	3

The meetings were held on 5th July, 2022, 29th November, 2023 and 21st March 2023.

Risk Management Committee

The committee oversees the Group wide risk governance framework, including risk management and control, risk policies and their implementation as well as the risk strategy and monitoring of operational risks. It reviews the business management and Group risk management function, the Group general policies and procedures and satisfies itself that the effective systems of risk management are established and maintained. It oversees the Group risk appetite statements to ensure alignments with the group's strategic objectives.

The committee met twice during the financial year ended 31st March 2023 and a record of their attendance is shown below:

Directors	No. of meetings held	No. of meetings attended
Alhaji A. A. Abdulkadir	2	2
Mr. A. S. Chellaram	2	2
Mrs. Angela M. Agbe-Davies	2	2
Mr. Rajesh Mishra	2	2
Mr. Samuel B. Akinrin	2	2

The meetings were held on 29th November, 2023 and 21st March 2024 respectively.

Finance and General Purpose Committee

The committee assists the board in fulfilling its financial oversight responsibilities with specific reference to corporate finance, resources and assets utilization, capital structure, cash management, equity and debt financing, financial planning and reporting as well as the overall financial performance of the group.

The committee met twice during the financial year ended 31st March 2022 and a record of their attendance is shown below:

Directors	No. of meetings held	No. of meetings attended
Alhaji Ahmed A. Abdulkadir	2	2
Mr. Aditya S. Chellaram	2	2
Mrs Angela Morenike Agbe – Davies	2	2

The meetings were held on 29th November, 2023 and 21st March 2024.

Information to Shareholders

Chellarams Plc is committed to continually disclose all material information in a timely and transparent manner to its shareholders. In the light of the above, the company posts all issues that might be of interest to shareholders in its web portal, including but not limited to its annual reports.

Annual General Meeting

In compliance with statutory and regulatory requirements the Annual General Meeting of the company was held virtually by proxy on 24th November, 2022 and it gave the opportunity to the shareholders of the company or their proxies to deliberate and take decisions on the issues affecting the company. The representatives of Corporate Affairs Commission (CAC), The Nigerian Exchange Group Plc, Securities and Exchange Commission (SEC), and members of the press observed the proceedings at the meeting virtually.

Company Secretary

It is the role of the Company Secretary to ensure the Board remains cognizant of its duties and responsibilities. In addition to providing the Board with guidance on its responsibilities, the Company Secretary keeps the Board abreast of relevant changes in legislation and governance best practices. The Company Secretary oversees the induction of new Directors, as well as the ongoing training of Directors. All Directors have access to the services of the Company Secretary.

Social Responsibility

As a corporate entity, the Company understands the challenges and benefits of doing business in Nigeria, and owes its existence to the people and societies within which it operates. The Company is committed, not only to the promotion of economic development, but also to making improvement that will impact on the society at large.

EHIMARE ISIRAMEN ESQ
Company Secretary
FRC/2020/002/00000022116

CHELLARAMS PLC

STATEMENT OF DIRECTORS RESPONSIBILITIES
IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

The Companies and Allied Matters Act, 2020 requires the Directors to prepare consolidated and separate 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 consolidated and separate financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020.

b) Establishes adequate internal control to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) Prepares its consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The Directors accept responsibility for the annual consolidated 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 the requirements of the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Company and its profit or loss. The Directors further accept responsibilities for the maintenance of accounting records that may be relied upon in the preparation of these consolidated 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

Asiwaju Dr. S. K. Onafowokan, OON
Chairman
FRC/2015/PRO/ICAN/004/00000010981

Dated: 24 July 2024

Chief Suresh M. Chellaram
Managing Director
FRC/2013/IODN/00000005336

Dated: 24 July 2024

CHELLARAMS PLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CERTIFICATION PURSUANT TO SECTION 60 (2) OF THE INVESTMENT AND SECURITIES ACT NO. 29 OF LAWS OF THE FEDERAL REPUBLIC OF NIGERIA 2007

We the undersigned hereby certify the following with regards to our audited consolidated and separate financial statements for the year ended 31 March 2024 that:

a) We have reviewed the report:

b) To the best of our knowledge, the report does not contain:
  i. Any untrue statement of a material fact, or
  ii. Omit to state a material fact, which would make a statement, misleading in light of the circumstance under which such statements were made;

c) To the best of our knowledge, the consolidated and separate financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods in the report.

d) We:
  i. are responsible for establishing and maintaining internal controls
  ii. have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to such officers by other within those entities particularly during the periodic reports are being prepared;
  iii. have evaluated the effectiveness of the Company's internal controls as of that date within 90 days prior to the report;
  iv. have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

e) We have disclosed to the auditors of the company and audit committee:
  i. all significant deficiency in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
  ii. any fraud whether or not material, that involves management or other employees who have significant roles in the company's internal controls.

f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal control subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Chief Suresh M. Chellaram
Managing Director
FRC/ 2013/IODN/00000005336

Dated: 24 July 2024

Mr. Emmanuel E. Ebosele
General Manager (Finance)
FRC/2022/PRO/ICAN/001/467370

Dated: 24 July 2024

CHELLARAMS PLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF CORPORATE RESPONSIBILITY

In line with the provisions of Section 405 of the Companies and Allied Matters Act, 2020; we have reviewed the audited financial statements of the Company for the year ended 31 March 2024 and based on our knowledge confirm as follows:

a) the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the financial statements misleading;

b) the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the Company as at and for the year ended 31 March 2024.

c) the Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the Auditors in the course of the audit.

d) the Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as at 31 March 2024.

e) that we have disclosed to the Auditors that there are no significant deficiencies in the design or operation of the Company’s internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the Auditors any weaknesses in internal controls observed in the course of the Audit.

f) that we have disclosed to the Auditors that there is no fraud involving management or other employees who have a significant role in the Company’s internal control; and

g) there are no significant changes in internal controls or in other factors which could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

Chief Suresh M. Chellaram **Managing Director** **FRC/2013/IODN/00000005336**	**Mr. Emmanuel E. Ebosele** **General Manager (Finance)** **FRC/2022/PRO/ICAN/001/467370**
Dated: 24 July 2024	**Dated: 24 July 2024**

CHELLARAMS PLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Certification of management's assessment of internal control over financial reporting

We, Chief Suresh M. Chellaram (Managing Director) and **Mr. Emmanuel E. Ebosele (General Manager Finance)**, certify that:

a) We have reviewed the 2024 Annual Report and financial statements of Chellarams Plc ("the company").

b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations, and cash flows of the company as of 31 March 2024, presented in this report.

d) Chellarams Plc certifying officers:

e) Are responsible for establishing and maintaining internal controls;

f) Have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information regarding Chellarams Plc, is made known to us by others within the entities, particularly during the period in which the report is being prepared;

g) Have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

h) Have evaluated the effectiveness of the company's internal controls and procedures as of date within 90 days prior to the report and presented in this report our conclusion about the effectiveness of the internal controls and procedures, as of 31 March 2024 covered by this report based on such evaluation.

i) Chellarams Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the company's auditors (PKF Professional Services) and the Audit Committee that:

j) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to affect Chellarams Plc's ability to record, process, summarise, and report financial information; and

k) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

l) Chellarams Plc certifying officers have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to deficiencies noted.

Dated this 18 day of July 2024

Chief S.M. Chellaram
Managing Director
FRC/2013/IODN/00000005336

Dated: 24 July 2024

Mr. Emmanuel E. Ebosele
General Manager (Finance)
FRC/2022/PRO/ICAN/001/467370

Dated: 24 July 20

PKF Professional Services
PKF House
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Lagos, Nigeria.
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Independent Auditor's Attestation Report on

Management's Assessment of Internal Controls over Financial Reporting

To the Shareholders of Chellarams Plc

Attestation

We have performed a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Chellarams Plc ("the Company")** as of 31 March 2024, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 March 2024 is not effective, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Basis for Attestation

We conducted a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Chellarams Plc ("the Company")** as of 31 March 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Our responsibilities under those sections and the guidance are further described in the Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting section of our report.

We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the internal control procedures over financial reporting in Nigeria.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Internal control procedures over financial reporting in Nigeria.

Responsibilities of the Directors and Those Charged with Governance for maintaining effective internal control over financial reporting

The directors are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in accordance with requirement of Section 405 of the Companies and Allied Matters Act, 2020, in connection with Section 1.3 of SEC Guidance on implementation of Sections 60-63 of the investments and securities Act No. 29, 2007 and in compliance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

PKF

Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting
Our responsibility is to express an opinion on the management's assessment of the effectiveness of the Company's internal control over financial reporting based on our limited review.

We conducted our limited review assurance engagement in accordance with "the Guidance", which requires that we planned and performed the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included:
* obtaining an understanding of internal control over financial reporting,
*assessed the risks that a material weakness may exists, and
*evaluated the result of the test of design and operating effectiveness of internal control based on the assessed risks.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition of Internal Control over Financial Reporting
The Company's internal control over financial reporting is process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated and separate financial statements for external purposes in accordance with Generally Acceptable Accounting Principles and includes those policies and procedures that:
a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated and separate financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and direction of the Company; and
c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated and separate financial statements.

Limitations of Internal Control over Financial Reporting
Because of such limitations, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitation are:
a) Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitations;
b) It is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures.
c) It can be circumvented by collusion or improper management override.

Other Information
We have also audited, in accordance with the requirements of International Standards on Auditing, the consolidated and separate financial statements of the **Chellarams Plc** and our report dated **24 July 2024** expressed an unqualified opinion.

Benson O. Adejayan, FCA
FRC/2013/ICAN/00000002226
For: **PKF Professional Services**
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0300488

Dated: 24 July 2024

PKF Professional Services

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Independent Auditor's Report

To the Shareholders of Chellarams Plc

Report on the audit of the financial statements

Opinion

We have audited the consolidated and separate financial statements of **Chellarams Plc ('the company') and its subsidiaries (together "the Group")** which comprise the consolidated statement of financial position at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group at 31 March 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs); in compliance with the Financial Reporting Council of Nigeria Act, 2023 (as amended) and in the manner required by the Companies and Allied Matters Act, 2020.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 2 in the consolidated and separate financial statements which indicated that the Group and Company recorded a loss after taxation of N3 billion and N1.1 billion in the current year. And as of that date, the Group and Company's current liabilities exceeded its current assets by N3.5 billion (2023: N572.9 million) for the group and N2.4 billion (2023: N566.9 million) for the Company. The shareholder's fund of the Group has been eroded to the tune of N1.9 billion in the current year. Consequently, the going concern basis of the entity is threatened, which has raised doubt over its ability to continue as a going concern. As stated in Note 2, these events or conditions, along with other matters indicate that a material uncertainty exist that may cast doubt on the entity's ability to continue as a going concern.

The following summarises how the matter was addressed in the audit:

- We reviewed all court cases against the Group in order to obtain reasonable assurance that no litigation threatens the going concern of the Group either by suppliers customers, customers, government, employee, aggrieved third parties and the shareholders of the Group.
- We obtained Group assurance from management that significant accounting and reporting judgements are supported by a degree of rigor and analysis appropriate to the circumstances of the Group and that the Group will receive support from shareholders.

- We checked advance market conditions, trend and events and also performed other risk assessment procedure to identify any adverse events or conditions.
- We asked management whether they have identified any events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
1. Impairment of trade receivables - Expected Credit Loss (ECL) assessment on financial assets. The determination of the impairment charge for trade receivables requires the assessment of Expected Credit Loss Model (ECL) using the simplified approach on recoverable amounts in line with IFRS 9. The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the company in formulating the financial model. The model also requires assumptions in the estimation of forward looking macro-economic variables in computing the Probability of Default (PD).	We focused our testing of impairment on the assumption made by management and in line with IFRS 9, Expected Credit Loss Model (ECL). **Our audit procedures include, amongst others, the following:** • Performed an independent review of the impairment calculation and considered all assumptions used in the impairment model and evaluated whether the model complies with the requirements of IFRS 9. • Reviewed the age analysis of debtors and controls put in place by management on the recoverability of receivables that have been long over due. • We reviewed other areas of macro-economic variables such as inflation rates, exchange rate, Gross Domestic Products (GDP). • We confirmed that appropriate disclosures were made in accordance with the entity's accounting policies and applicable financial framework.
2. Valuation of inventory The carrying amount of inventories at year end was N764 million representing 9% of the total assets. No allowance for slow moving has been recorded to reduce the carrying value of the inventories to their estimated realisable values. The company's sales of consumable items can be extremely volatile considering the market competition and the changes in consumers taste. As a result there is possibility that obsolete and slow moving inventories may not be adequately written down and this may lead to overstatement of inventory.	**Our audit procedures include, amongst others, the following:** • Reviewed management's procedures and policies relating to provision for obsolete inventories. • Reviewed age analysis of the Company's inventory and ensured that the value of obsolete and soiled inventory were adequately written down. • Reviewed and take note for action, all observations noted during the inventory physical count that could likely affect the impairment calculation of obsolete inventory. • Reviewed and challenged the reasonableness of key management's assumptions used for the impairment based on our knowledge of the business and industry.

3. Revenue recognition	Our audit procedures include, amongst others, the following:
Revenue is a key performance indicators on which the company and its Directors are assessed. There could be pressures on margin and competition which could lead to recognising revenue in the wrong financial period. There is possibility of misstatement of revenue if sales returns after year end are not properly recorded.	• Reviewed the accounting policy for consistency and management's procedures in the recognition and recording of revenue and sales return. • Evaluated the design and implementation and the operating effectiveness of internal controls over the approval of goods sold. • For sales of goods to customers during the year, we compared on a sample basis, postings into revenue ledger which is evidence by delivery notes and copy of invoice duly signed by the customer. • We performed data integrity check on revenue including the accuracy of sample of journal entries relating to revenue by checking them to supporting documentations, such as approved credit notes to customers with respect to sales returns. • We assessed the posting in sales ledger subsequent to year end to understand the basis of any significant/unusual credit notes. • We tested whether revenue transactions occurring both prior and post year end date were recognised in the correct financial period. • Tested to ensured that sales return is agreed to approved credit note and that it is related to the appropriate period.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

We draw attention to the matter stated below:

The financial statements of Chellarams Plc for the year ended 31 March 2023 was audited by a different auditor who expressed an unmodified audit opinion on those financial statements on 21 July 2023.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards; and in the manner required by the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act, 2023 (as amended) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identified and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicated with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the fifth Schedule of the Companies and Allied Matters Act, 2020, 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 purpose of our audit;
ii) Proper books of accounts have been kept by the Company, in so far as it appears from our examination of those books; and
iii) The Company's statement of financial position and statement of profit or loss are in agreement with the books of account.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management assessments of the Company internal control over financial reporting as at 31 March 2024. The work performed was done in accordance with ISAE 3000 (Revised). Assurance Engagement Other Than Audit or Review of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated **24 July 2024**. The report is included in the annual report.

Benson O. Adejayan, FCA
FRC/2013/ICAN/02226
For: **PKF Professional Services**
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0300488

Dated: 24 July 2024

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

		Group		Company	
		2024	2023	2024	2023
	Notes	N'000	N'000	N'000	N'000
Revenue	7	**13,779,529**	10,598,825	**6,425,432**	4,658,967
Cost of sales	8	**(12,797,621)**	(9,431,583)	**(5,770,456)**	(4,263,709)
Gross profit		**981,908**	1,167,242	**654,976**	395,258
Other operating income	9	**612,388**	6,615,574	**609,879**	6,612,820
Selling and distribution expenses	10	**(164,750)**	(97,024)	**(22,833)**	(3,426)
Administrative expenses	11	**(1,212,649)**	(1,290,491)	**(803,048)**	(672,496)
Profit from operating activities		**216,897**	6,395,301	**438,974**	6,332,155
Finance costs	12	**(646,815)**	(1,203,388)	**(423,613)**	(1,112,491)
Net exchange loss	11.4	**(2,785,272)**	(121,237)	**(1,522,297)**	(70,885)
(Loss)/profit before taxation		**(3,215,190)**	5,070,676	**(1,506,936)**	5,148,780
Income tax write-back/(expenses)	14	**212,230**	(151,390)	**382,655**	(108,718)
(Loss)/profit for the year		**(3,002,960)**	4,919,286	**(1,124,281)**	5,040,062
Other comprehensive income:					
Items that will be reclassified to profit or loss		**-**	-	**-**	-
Total comprehensive (loss)/income for the year		**(3,002,960)**	4,919,286	**(1,124,281)**	5,040,062
(Loss)/profit for the year attributable to:					
Owners of the parent		**(2,508,193)**	4,973,063	**(1,124,281)**	5,040,062
Non-controlling interest	31	**(494,767)**	(53,777)	**-**	-
(Loss)/profit for the year		**(3,002,960)**	4,919,286	**(1,124,281)**	5,040,062
Total comprehensive income attributable to:					
Owners of the parent		**(2,508,193)**	4,973,063	**(1,124,281)**	5,040,062
Non-controlling interest	31	**(494,767)**	(53,777)	**-**	-
Total comprehensive (loss)/income for the year		**(3,002,960)**	4,919,286	**(1,124,281)**	5,040,062
Basic (loss)/earnings per share (kobo)	32	**(347)**	688	**(156)**	697

The accompanying notes and other national disclosures form an integral part of these financial statements.

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	Notes	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Non-current assets					
Property, plant and equipment	15	**7,772,971**	7,107,605	**6,635,050**	6,701,295
Investment in subsidiaries	16	**-**	-	**10,000**	80,277
Investments in associate	18	**-**	-	**-**	-
Financial assets at amortised cost	18	**-**	-	**148,019**	148,019
Deferred tax assets	14.2.1	**41,945**	-	**105,191**	-
		7,814,916	7,107,605	**6,898,260**	6,929,591
Current assets					
Inventory	20	**1,979,810**	2,363,860	**764,804**	892,317
Trade receivables	21	**1,619,314**	1,245,310	**357,572**	64,778
Other current asset	22	**635,949**	382,072	**373,774**	315,747
Due from related parties	23	**2,430,184**	31,637	**5,171**	947,553
Cash and cash equivalents	24	**299,881**	654,690	**165,843**	87,645
		6,965,138	4,677,569	**1,667,163**	2,308,040
Current liabilities					
Short term borrowings	25.1	**874,827**	804,507	**-**	-
Trade and other payables	26	**8,662,257**	3,550,497	**3,457,363**	1,649,507
Due to related parties	27	**675,709**	670,987	**559,450**	1,072,717
Current tax liabilities	14.1	**216,962**	224,493	**79,177**	152,706
		10,429,754	5,250,484	**4,095,990**	2,874,930
Net current liabilities		**(3,464,616)**	(572,915)	**(2,428,826)**	(566,889)
Non-current liabilities					
Long term borrowings	25.2	**4,937,340**	3,666,541	**2,536,340**	2,992,540
Subordinated/ promoter's loan	25.4	**1,310,791**	1,310,791	**1,310,791**	1,310,791
Deferred taxation	14.2.1	**-**	447,737	**-**	312,787
Net employee defined benefits	26.2	**-**	4,494	**-**	-
		6,248,131	5,429,563	**3,847,131**	4,616,118
Net assets		**(1,897,832)**	1,105,127	**622,303**	1,746,584
Equity					
Ordinary shares	28	**361,463**	361,463	**361,463**	361,463
Revaluation reserve	29	**6,409,404**	6,409,404	**6,409,404**	6,409,404
Accumulated losses	30	**(7,620,954)**	(5,112,761)	**(6,148,564)**	(5,024,283)
		(850,087)	1,658,106	**622,303**	1,746,584
Non controlling interest	31	**(1,047,745)**	(552,979)	**-**	-
Total equity		**(1,897,832)**	1,105,127	**622,303**	1,746,584

The financial statements and notes to the financial statements were approved by the Board of directors on **24 July 2024** and signed on its behalf by:

Asiwaju Dr.S. K. Onafowokan, OON	**Chief S.M. Chellaram**	**Mr. Emmanuel E. Ebosele**
Chairman	**Managing Director**	**General Manager (Finance)**
FRC/2015/PRO/ICAN/004/00000010981	**FRC/2013/IODN/00000005336**	**FRC/2022/PRO/ICAN/001/467370**

The accompanying notes and other national disclosures form an integral part of these financial statements.

CHELLARAMS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital N'000	Revaluation Reserve N'000	Revenue Reserve N'000	Non-controlling interest N'000	Total equity N'000
GROUP					
Balance at 1 April 2022	361,463	6,409,404	(10,085,824)	(499,203)	(3,814,159)
Comprehensive Income for the year					
Profit for the year	-	-	4,973,063	(53,777)	4,919,286
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	4,973,063	(53,777)	4,919,286
Balance at 31 March 2023	**361,463**	**6,409,404**	**(5,112,761)**	**(552,980)**	**1,105,127**
Balance at 1 April 2023	361,463	6,409,404	(5,112,761)	(552,980)	1,105,126
Comprehensive Income for the year					
Loss for the year	-	-	(2,508,193)	(494,767)	(3,002,958)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	(2,508,193)	(494,767)	(3,002,958)
Balance at 31 March 2024	**361,463**	**6,409,404**	**(7,620,954)**	**(1,047,746)**	**(1,897,832)**

The accompanying notes and other national disclosures form an integral part of these financial statements.

CHELLARAMS PLC

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital N'000	Revaluation Reserve N'000	Retained earnings N'000	Total equity N'000
COMPANY				
Balance at 1 April 2022	361,463	6,409,404	(10,064,346)	(3,293,479)
Comprehensive income for the year				
Profit for the year	-	-	5,040,062	5,040,062
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	5,040,062	5,040,062
Balance at 31 March 2023	361,463	6,409,404	(5,024,284)	1,746,583
Balance at 1 April 2023	**361,463**	**6,409,404**	**(5,024,284)**	**1,746,583**
Comprehensive Income for the year				
Loss for the year	**-**	**-**	**(1,124,281)**	**(1,124,281)**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**(1,124,281)**	**(1,124,281)**
Balance at 31 March 2024	**361,463**	**6,409,404**	**(6,148,564)**	**622,303**

The accompanying notes and other national disclosures form an integral part of these financial statements.

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

		Group		Company	
		2024	2023	2024	2023
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities					
(Loss)/profit for the year		**(3,002,960)**	4,919,286	**(1,124,281)**	5,040,062
Adjustments for non cash items					
Gain on disposal of property, plant and equipment	9	**(4,001)**	(2,752)	**(4,001)**	(983)
Finance charges	12	**646,815**	1,203,388	**423,613**	1,112,491
Income tax (writeback)/expense	14	**(212,230)**	151,390	**(382,655)**	108,718
Tax adustment	14.1	**(70,261)**	-	**-**	-
Loan Interest waived	9	**-**	(4,693,516)	**-**	(4,693,516)
Depreciation of property, plant and equipment	15	**168,710**	161,766	**93,393**	65,907
		(2,473,926)	1,739,562	**(993,930)**	1,632,679
Decrease/i(increase) in inventory	20	**384,050**	(986,315)	**127,513**	(722,899)
(Increase)/decrease in trade and other receivables	21	**(374,004)**	165,390	**(292,794)**	64,777
(Increase)/decrease in other current assets	22	**(253,877)**	382,072	**(58,021)**	315,747
(Increase)/decrease in due from related parties	23	**(2,398,546)**	31,637	**942,382**	365,690
Increase in trade and other payables	26	**5,111,760**	466,490	**1,807,853**	1,034,397
Increase /(decrease) in due to related parties	27	**4,722**	670,987	**(513,266)**	76,642
Increase in import finance facilities	25.1	**(928)**	-	**-**	-
Increase in employee benefits	26.2	**(4,494)**	(222)	**-**	-
Cash (used in)/from operations		**(5,244)**	2,469,601	**1,019,736**	2,767,033
Tax paid	14.1	**(214,722)**	(239,820)	**(108,852)**	(75,041)
Net cash flow (used in)/from operating activities		**(219,966)**	2,229,781	**910,884**	2,691,992
Cash flows from investing activities					
Additions to property, plant and equipment	15	**(834,076)**	(150,214)	**(27,150)**	(1,654)
Investment in subsidiaries		**-**	-	**70,277**	-
Proceeds from disposal of property, plant and equipment		**4,001**	3,357	**4,001**	983
Net cash flow (used in)/from investing activities		**(830,076)**	(146,857)	**47,127**	(671)
Cash flows from financing activities					
Term loans	25.2	**-**	1,198,846	**-**	1,109,639
Additional loan received	25.2	**2,451,240**	4,459,210	**450,312**	2,992,540
Term loan repaid	25.2	**(1,106,674)**	(6,275,065)	**(906,512)**	(5,679,425)
Finance charges	12	**(646,815)**	(1,203,388)	**(423,613)**	(1,112,491)
Net cash flow from/(used in) financing activities		**697,751**	(1,820,397)	**(879,813)**	(2,689,738)
Net (decrease)/increase in cash and cash equivalents		**(352,290)**	262,527	**78,198**	1,584
Cash and cash equivalents at the beginning of the year		**651,086**	388,559	**87,645**	86,061
Cash and cash equivalents at the end of the year	24.1	**298,796**	651,086	**165,843**	87,645
Cash and cash equivalents comprise:					
Cash at Bank and in hand	24	**299,881**	654,690	**165,843**	87,645
Bank overdraft	25.1	**(1,085)**	(3,604)	**-**	-
Cash and cash equivalents at the end of the year	24.1	**298,796**	651,086	**165,843**	87,645

The accompanying notes and other national disclosures form an integral part of these financial statements.

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. The Company - Corporate information and principal activities

Chellarams Plc (The Company) was incorporated on 13 August 1947 as a private limited liability Company with the primary aim of doing business of distribution, trading and manufacturing. The entity later became a public limited liability Company and was admitted to the official list of the Nigerian Stock Exchange on 29 November 1974 as a Public Company. The entity comprises three subsidiaries namely: Dynamic Industries Limited, United Technical and Allied Services Limited and Chellarams DMK Limited. United Technical and Allied Services Limited is wholly owned subsidiary while the Company has 77.71% and 74% shareholding in Dynamic Industries Limited and Chellarams DMK Limited respectively. The principal activities of Chellarams Plc are trading and distribution of fast moving consumer goods, ingredients and consumer durables and industrial chemicals.

Its registered office is at Plot 110/114 Oshodi Apapa Expressway, Isolo, Lagos.

2. Going concern

The Group and Company recorded a loss after taxation of N3 billion and N1.2 billion in the current year. And as of that date, the Group and Company's current liabilities exceeded its current assets by N3.5 billion (2023: N572.9 million) for the group and N2.4 billion (2023:N566.9 million) for the Company. The shareholder's fund of the Group has been eroded to the tune of N1.9 billion in the current year. Consequently, the going concern basis of the entity is threatened, which has raised doubt over its ability to continue as a going concern.

The followings are the measures taken by management:

a) Management had taken severe steps in rightsizing of our personnel, focused on all opportunities and continual improvement on management efficiency across the group companies. Results are very much evident in the financial statement.

b) Dynamic Industries Ltd had installed a cast extrusion stretch machine at Kaduna which will increase the production capacity of the company by 25% and serve the customer of Northern part of Nigeria. We are in the process of adding some more segments of product and continuously increasing our production capacity. By the end of this current fiscal year our production capacity will increase by 25 percent. The total Plant & Machinery additions was of N800mn from internal cash generation.

c) Dynamic Industries Ltd also suffered a major loss due to exchange fluctuation like other industries and the result is visible as the negative net worth of shareholders' funds. Considering the above, Dynamic Ind reduced their forex liability marginally in first quarter itself and performing satisfactorily with lot of challenges.

d) Dynamic Industries Ltd achieved sales of N 2.1 Bn with Gross Profit margin of N528 Mn. Net profit of the company is N68 Mn even after incurring the exchange loss of N167 Mn on previous year payable. The sales of the company increased in 1st Qtr by 60% compared to previous year.

e) Dynamic Ind Ltd have made the roadmap to come out from this negative net worth in this current fiscal year 2024-25 and the company is on track as planned. Additional working capital from Bank also was secured for N360mn for FY 24-25.

f) Chellarams Plc is focused on high margin product due to working capital constraint as it will add more value to the company with less turnover. We had rent out all unused space and it's added more revenue to our business. We are fully focused on higher margin products with reduced cost of operation and limited turnover. Growth in turnover is visible continuously from last four years and its shows the steady growth in such challenging economic environment also at reasonable operational cost.

g) Procuring forex is a major challenge in the country and there is serious impact on imports. We have started local procurement of chemical in our business and added two more SKU in current financial year which is helping us in achieving our target sales, product diversification and lesser dependence on forex.

h) We have already settled all the bank obligation of Chellarams PLC and right now working with own capital and supplier finance.

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

I) Chellco Industries limited had paid CPLC all their outstanding and granted some loan also for settlement of lenders in FY22'23 and we are repaying our loan successfully from last 18th Month to Chellco Ind, Ltd as per agreed terms.

Bases and Assumptions for the forecast are mentioned below:

1) We have generated working capital from our business and leasing to support local trading of chemicals and succeeded to build inventory of N 700 Mn approx. and reduce our statutory and other liabilities to far extent.

2) We are using supplier finance for our import purchase and trying to procure forex before the goods sold out to cover our exchange losses.

3) We have rented out all unused property and it will add approx. N600 Mn in our rental income from current financial year.

Profit Forecast for Financial Year 2024-25 mentioned below:
Projected Income Statement

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Sales	9,508,636	10,459,500	12,551,400	15,689,249	19,611,562
Other Income	600,000	660,000	726,000	798,600	878,460
Total Income	**10,108,636**	**11,119,500**	**13,277,400**	**16,487,849**	**20,490,022**
Cost of Goods Sold	**8,732,163**	**9,605,379**	**11,526,455**	**14,408,069**	**18,010,086**
Gross Profit/Contribution	**1,376,473**	**1,514,120**	**1,750,944**	**2,079,781**	**2,479,936**
Contribution %	**8.17%**	**8.17%**	**8.17%**	**8.17%**	**8.17%**
Expenses					
Operation Expenses	85,000	97,750	112,413	129,274	148,666
Administration Expenses	225,000	258,750	297,563	342,197	393,526
Selling & Distribution Expenses	55,000	63,250	72,738	83,648	96,195
Personnel Expenses	150,000	172,500	198,375	228,131	262,351
Repair & Maintenance	165,000	150,000	150,000	150,000	150,000
Expenses	**680,000**	**742,250**	**831,088**	**933,251**	**1,050,738**
EBIDTA (PBIDT)	**696,473**	**771,870**	**919,857**	**1,146,530**	**1,429,197**
Finance Expenses					
Interest on Restructured Loan	525,000	385,000.00	195,000.00	-	-
Miscellaneous Finance Charges	65,000	104,595.00	125,514.00	156,892.49	211,804.87
EBDTA (PBDT)	**106,473**	**282,275**	**599,343**	**989,637**	**1,217,393**
Depreciation	54,000	75000	75000	75000	75000
PBT	**52,473**	**207,275**	**524,343**	**914,637**	**1,142,393**
Provision for Tax	15,742	26,149	31,378	39,223	49,029
PAT	**36,731**	**181,127**	**492,964**	**875,414**	**1,093,364**

NOTE :

1. Overseas Supplier Finance Credit Line USD 1,750,000
2. Local purchase funding of N 350 Mn from internal sources
3. Sales are based on available Working Capital rotation of 2.5 cycles P.A for Import Purchase and 8 cycles P.A for Local Purchase.
4. Exchange rate is taken at N 1500/$ for Import Purchasing.
5. Other income are rental income/cold room and shared services.

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Revenue forecast for FY 2022-23:
Foam Chemicals: Primarily used by Foam and Allied products companies and our projected sales for this division are N 6.85 Bn.

Industrial Chemicals & Additives: Primarily used by Pharmaceutical, Cosmetic, plastic film, and allied companies. Our projected sales revenue from this division is N2.65 Bn.

Other Income: It consists of Management Consultation services, warehouse Rent, Transport Services and others. Our projected revenue from other income is N600 Mn.

Major Existing customers of Chellarams PLC:
United Foam Product Nig. Limited, Mouka Foam Nig. Limited, Vita Foam, Nigerian Breweries PLC, Vita Biotics Nig. Ltd, SKG Pharma Nig. Ltd, Emzor Pharma Nig. Ltd. We have on going and continuous business relationship with our major customers.

Litigations: There is no such litigation that could affect the Going concern of the company as we have already settled all the lenders to the company.

3. Basis of preparation
a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the requirements of the Companies and Allied Matters Act, 2020.

The financial statements were authorised for issue by the Board of Directors on 18 July 2024.

b) Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for the following:
Financial instruments and land and building which are measured at fair value.

c) Functional and presentation currency
These financial statements are presented in Naira, which is the holding and subsidiary Companies' functional currency. Amounts are rounded to the nearest thousands, unless otherwise stated.

d) Use of estimates and judgement
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3(a) New standards, interpretations and amendments effective from 1 April 2022
New standards effective for adoption in the annual financial statements for the year ended 31 March 2024 but had no significant effect or impact on the Group are:
The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023.

IFRS 17 Insurance Contracts
IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using
• discounted probability-weighted cash flows;
• an explicit risk adjustment; and
• a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

CHELLARAMS PLC

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b) New standards, interpretations and amendments issued not yet effective

The following are the new standards and interpretations that have been issued, but are not mandatory for the financial year ended 31 March 2024. They have not been adopted in preparing the financial statements for the year ended 31 March 2024.

In terms of International Financial Reporting Standards, the Group is required to include in its financial statements disclosure about the future impact of standards and interpretations issued but not yet effective at reporting date.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The effective date of the standard is for years beginning on or after 1 January 2023. The amendment did not have any impact on the amount recognised in the prior periods or current period.

Critical accounting judgments and key sources of estimation of uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Company revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the financial statements is judgmental. The items subject to judgment are detailed in the corresponding notes to the financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

a) Revenue recognition and distinct performance obligations

Contracts may include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately or together requires significant judgment. A product or service is distinct if the customer can benefit from the product or service either on its own or together with other resources that are readily available to the customer and the group's promise to transfer the product or service to the customer is separately identifiable from other promises in the contract. Such judgments could impact the timing of revenue recognition.

b) Impairment of financial assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the group’s past history, existing market conditions and forward-looking estimates at the end of each reporting period. Such estimates and judgments could impact trade receivables, contract assets for unbilled revenue on customer contracts and office and other operating expenses.

c) Income and deferred taxation
The group incurs income taxes and also recognises changes to deferred tax assets and deferred tax liabilities, all of which are based on management’s interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management’s ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management’s ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

d) Impairment of property, plant and equipment
The group assesses its assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset’s carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Company’s estimated value in use.

The estimated future cash flows applied are based on reasonable and supportable assumptions and represent management’s best estimates of the range of economic conditions that will exist over the remaining useful life of the cash flow generating assets.

e) Legal proceedings
The group reviews outstanding legal cases following developments in the legal proceedings at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the group's management as to how it will respond to the litigation, claim or assessment.

f) Estimates of useful lives and residual value
The estimates of useful lives and residual values of property, plant and equipment impact the annual depreciation charge. The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

5. Summary of significant accounting policies
The accounting policies set out below have been applied consistently to all years presented in these financial statements.

a) Foreign currency
In preparing the financial statements of the group, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions and any exchange differences arising are included in the income statement of the reporting period.

At the end of each reporting period , monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e. not retranslated).

Foreign currency differences on loans and other borrowings are recognised as finance income and expenses. Other foreign currency differences as a result of transactions are recognised in the related items within the operating results.

b) Basis of consolidation
Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:
- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the parent and subsidiary Companies") as if they formed a single entity. Intercompany transactions and balances between parent and subsidiary companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

c) Associates
When the parent and subsidiary Companies has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. The parent and subsidiary Companies' share of post-acquisition profits and losses is recognised in the consolidated statement of comprehensive income except that losses in excess of the parent and subsidiary Companies' investment in the associate are not recognised unless there is obligation to make good those losses.

Profit or losses arising on transactions between the parent and subsidiary Companies and its associates are recognised only to the extent of unrelated investor's interest in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associates.

Any premium paid for an associate above the fair value of the parent and subsidiary Companies's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in the associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non financial assets.

d) Revenue

Revenue is recognized upon transfer of control of the promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

i) Sales of goods

Performance obligations and timing of revenue recognition

The group's revenue is derived from sales of industrial chemicals, fast moving consumer goods, machinery, plastic films with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer.

There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

None of the group's contract of sales is negotiated on a bill and hold basis.

Goods sold by the group do not include warranties which may require the group to either replace or mend a defective product during the warranty period.

Determining the transaction price

The group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Exceptions are as follows:

- Variable consideration relating to volume rebates has been constrained in estimating contract revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the amount of volume rebates has been determined.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time by particular customers. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the group is able to determine the split of the total contract price between each type by reference to each product's stand-alone selling prices (all product lines are capable of being, and are, sold separately).

In order to win significant repeat business with key customers, the group might enter into contracts entitling them to discounts. Such discounts are usually agreed before the sales are made to the extent that the price agreed is adjusted to reduce the selling price. For such arrangements, there is no need to adjust the stand-alone selling price.

Since the discounts are not tied to future sales, the group does need to estimate both the probability that the customer will take up its future discount offer and the value of future purchases that might be made in order to estimate the value of the rights granted. In addition, there is not a significant number of such contracts.

Costs of obtaining and fulfilling contracts
Incremental cost of obtaining contracts are capitalised when they relate to long-term customer contracts.

Costs to obtain customer contracts represent commissions incurred and such commissions would not have been incurred if the contracts had not been obtained. These costs are incremental and the group expects to recover these costs. The asset is amortised over the term of the specific contract it relates to, consistent with the associated pattern of revenue recognition, and is recorded in employee compensation expenses. As a practical expedient, incremental costs of obtaining a contract have been expensed when incurred if the amortization period of the asset is one year or less.

The costs of fulfilling contracts do not result in the recognition of a separate asset because such costs are included in the carrying amount of inventory for contracts involving the sale of goods.

Significant Financing Components
The group has taken the advantage of the practical exemption not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less.

ii) Other income
This comprises profit from sale of financial assets, plant and equipment, foreign exchange gains, fair value gains of non financial assets measured at fair value through profit or loss and impairment loss no longer required written back.

Income arising from disposal of items of financial assets, plant and equipment and scraps is recognised at the time when proceeds from the disposal have been received by the group. The profit on disposal is calculated as the difference between the net proceeds and the carrying amount of the assets. The group recognises impairment no longer required as other income when the group receives cash on an impaired receivable or when the value of an impaired investment increased and the investment is realisable.

e) Expenditure
Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of comprehensive income is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature.

The group classifies its expenses as follows:
- Cost of sales;
- Administration expenses;
- Selling and distribution expenses; and
- Other allowances and amortizations

f) Finance income and finance costs
Finance income comprises interest income on short-term deposits with banks, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

Dividend income from investments is recognised in profit or loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, losses on disposal of available for sale financial assets, impairment losses on financial assets (other than trade receivables).

g) Income tax expenses
Income tax expense comprises current income tax, education tax and deferred tax. (See policy 'r' on income taxes).

h) Earnings per share
The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

i) Property, plant and equipment
Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment and are depreciated accordingly. Subsequent costs and additions are included in the asset’s carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the holding and subsidiary Companies and the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

Freehold land and buildings are subsequently carried at revalued amounts, based on periodic valuations by external independent valuers; less accumulated depreciation and accumulated impairment losses. All other items of property, plant and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Increases in the carrying amounts arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the Income statement.

Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method on the following bases:

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life.

Building	2%
Furniture and fittings	10%
Motor Vehicles	25%
Plant and Machinery	10%
Office Equipment	15%
Assets under lease	over the lease period

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition 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 component of the statement of comprehensive income within 'Other income' in the year that the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if necessary.

j) Intangible Assets
Computer software
This represents computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised on a straight line basis over the useful life of the intangible asset.

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives for the current and comparative period are as follows:
Computer software 5 years

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible assets, measured are as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

k) Investment property
An investment property is an investment in land and buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the holding and subsidiary Companies.

Initial measurement is at cost, while subsequent recognition is at fair value. Investment property measured at fair value is reassessed every year and changes in carrying value are recognised in the statement of profit or loss.

l) Impairment of non-financial assets
Non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

m) Financial instruments

a) Financial assets

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date.

i) Classification

The group classifies its financial assets in the following measurement category

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The group holds the following financial assets:

i) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

ii) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

b) Financial liabilities and equity instruments

Financial liabilities are initially recognised at fair value when the group becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Company financial liabilities include trade and other payables.

i) De-recognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in income statement.

ii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

iii) Impairment of financial instruments

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at fair value through other comprehensive income (FVOCI).

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated 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.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

iv) Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

n) Prepayments

Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit or loss and other comprehensive income.

o) Inventory

Inventory are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses.

Cost is determined as follows:-

Raw materials

Raw materials which includes purchase cost and other costs incurred to bring the materials to their location and condition are valued using weighted average cost.

Finished goods
Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables
Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

p) Employee benefits
The group operates the following contribution and benefit schemes for its employees:

i) Defined Benefit gratuity scheme
The company had defined benefit gratuity scheme with employees which is funded. Under this scheme a specified amount in accordance with gratuity scheme agreements is contributed by the company and charged to profit and loss account over the service life of the employee. This employee entitlement are calculated based on their actual salaries and fixed with Ecobank Plc.

The management has discontinued the scheme. No additional provisions were made during the year.

ii) Defined contribution pension scheme
In line with the provisions of the Nigerian Pension Reform Act, 2014, Chellarams Plc and its subsidiaries has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the Company at the rate of 8% by employees and 10% by the Company of basic salary, transport and housing allowances invested outside the Company through Pension Fund Administrators (PFAs) of the employees choice.

The holding and subsidiary Companies has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by the holding and subsidiary Companies to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iii) Short-term benefits
Short term employee benefit obligations which include wages, salaries, bonuses and other allowances for current employees are measured on an undiscounted basis and recognised and expensed by Chellarams Plc in the income statement as the employees render such services.

A liability is recognised for the amount expected to be paid under short - term benefits if the holding and subsidiary Companies has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

q) Provisions
A provision is recognized only if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

r) Income Taxes - Company income tax and deferred tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

The tax currently payable is based on taxable results for the year. Taxable results differs from results as reported in the income statement because it includes not only items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The group's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

s) Share capital and Share premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued is classified as ‘share premium’ in equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

t) Dividend on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the shareholders. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position date.

u) Retained earnings

General reserve represents amount set aside out of profits of the group which shall at the discretion of the directors be applied to meeting contingencies, repairs or maintenance of any works connected with the business of the group, for equalising dividends, for special dividend or bonus, or such other purposes for which the profits of the group may lawfully be applied.

v) Contingent liability

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Where the group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability.

The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period under consideration except in the extremely rare circumstances where no reliable estimate can be made.

w) Related party transactions or insider dealings
Related parties include the related companies, the directors, their close family members and any employee who is able to exert significant influence on the operating policies of the group. Key management personnel are also considered related parties. Key management personnel are those persons including any director (whether executive or otherwise) having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The group considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Where there is a related party transactions within the group, the transactions are disclosed separately as to the type of relationship that exists within the group and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

x) Off Statement of financial position events
Transactions that are not currently recognized as assets or liability in the statement of financial position but which nonetheless give rise to credit risks, contingencies and commitments are reported off statement of financial position. Such transactions include letters of credit, bonds and guarantees, indemnities, acceptances and trade related contingencies such as documentary credits. Outstanding unexpired commitments at the year-end in respect of these transactions are shown by way of note to the financial statements.

y) Effective Interest Method
The effective interest method is a method of calculating the amortised cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cashflows (including all fees and points paid or received that form an integral part of the effective interest rate, translation costs and other premiums or discounts) through the expected life of the debt instruments, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

z) Segment reporting
An operating segment is a component of the group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the group's other components, whose operating results are reviewed regularly by the Chief Executive Officer (being the Chief Operating Decision Maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

6(a) Determination of fair value
A number of the group's accounting policies and disclosures require the determination of fair value for the both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determing fair values is disclosed in the notes specific to that assets or liabilities. Significant valuation issues are reported to the Audit Committee.

i) Fair value hierarchy
When measuring the fair value of an asset or a liability, the group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : Quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2 : Valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities values using models where all significant inputs are observable.

Level 3 : Valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

b) Financial risk management
i) General
Pursuant to a financial policy maintained by the Board of Directors, the group uses several financial instruments in the ordinary course of business. The group’s financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts and trade and other payables.

The group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk, consisting of: currency risk, interest rate risk and price risk

Credit risk
Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is mainly exposed to credit risk from group's receivables from customers. It is the group's policy to assess the credit risk of new customers before entering into contracts.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Management.

The Management determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers of the group are classified according to their credit characteristics. Customers classified as "high risk" are placed on a restricted customers list, and future credit services are made only with approval of the Management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the group for business transactions.

The maximum credit risk as per statement of financial position, without taking into account the aforementioned financial risk coverage instruments and policy, consists of the book values of the financial assets as stated below:

	Group		Company	
	2024	2023	**2024**	2023
	N'000	N'000	**N'000**	N'000
Trade receivables	**1,681,831**	1,307,827	**390,526**	97,732
Cash and cash equivalents	**299,881**	654,690	**165,843**	87,645
	1,981,712	1,962,517	**556,369**	185,376

As at the reporting date there was no concentration of credit risk with certain customers.

Liquidity risk
Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by Management. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. The following are the contractual maturities of financial liabilities:

	Book value	Contractual cashflow	One year or less	1-5 years
	N'000	**N'000**	**N'000**	**N'000**
At 31 March 2024				
Borrowings	7,122,958	-	804,507	1,984,792
Trade and other payables	8,662,257	-	8,662,257	-
	15,785,215	-	9,466,764	1,984,792
At 31 March 2023				
Borrowings	5,781,839	-	804,507	4,977,332
Trade and other payables	3,550,497	-	3,550,497	-
	9,332,336	-	4,355,004	4,977,332

Market risk
Market risk concerns the risk that the group income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Foreign exchange risk
Most of the group's transactions are carried out in Nigerian Naira (N). Exposures to currency exchange rates arise from the group's overseas purchases of goods and raw materials, which are primarily denominated in US dollars (USD). To mitigate the group's exposure to foreign currency risk, Non-Naira cash flows are monitored and the imports are being done by opening letters of credit backed by Naira in which the currency is being purchase upfront. It also discontinued its US dollar denominated term loans and entered new term loan agreements denominated in Nigerian Naira.

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Interest rate risk
The group has fixed interest rate liabilities. In respect of controlling interest risks, the policy is that, in principle, interest rates for loans payable are primarily fixed for the entire maturity period. This is achieved by contracting loans that carry a fixed interest rate. The effective interest rates and the maturity term profiles of interest-bearing loans, deposits and cash and cash equivalents are stated below:

	Effective interest rate N'000	One year or less N'000	1-5 years N'000	Total N'000
At 31 March 2024				
Cash and cash equivalents	**-**	**299,881**	**-**	**299,881**
Borrowings	**-**	**(874,827)**	**-**	**(874,827)**
	-	**(574,946)**	**-**	**(574,946)**
At 31 March 2023				
Cash and cash equivalents	-	654,690	-	654,690
Borrowings	-	(804,507)	-	(804,507)
	-	(149,817)	-	(149,817)

ii) Fair Value
Financial instruments accounted for under assets and liabilities are cash and cash equivalents, receivables, and current and non-current liabilities. The fair value of most of the financial instruments does not differ materially from the book value.

Capital management
The Board of Director’s policy is to maintain a strong capital base so as to maintain customer, investor, creditor and market confidence and to support future development of the business. The Board of Directors monitors the debt to capital ratio. The Board of Directors also monitors the level of dividend to be paid to holders of ordinary shares. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the benefits of a sound capital position. There were no changes in the group’s approach to capital management during the year. The group is not subject to externally imposed capital requirements.

The debt-to-adjusted-capital ratio at 31 March 2024 and at 31 March 2023 were as follows:

	Group		Company	
	2023 N'000	**2022 N'000**	**2023 N'000**	**2022 N'000**
Trade and other payables	8,662,257	3,550,497	-	1,649,507
Borrowings	7,122,958	5,781,839	3,847,132	4,303,331
Less: cash and cash equivalents	(299,881)	(654,690)	(165,843)	(87,645)
Net debt	15,485,335	8,677,646	3,681,289	5,865,193
Total equity	(1,897,832)	1,105,127	622,303	1,746,584
Debt to adjusted capital ratio	(8)	8	6	3

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The Group engages in trading and distribution of fast moving consumer goods, ingredients and consumer durables and industrial chemicals. The group also carries out its business in 5 geographical locations in Nigeria. Analysis of sales for the year are as follows:

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
7. Revenue				
Industrial chemicals	**13,779,529**	4,658,967	**6,425,432**	4,658,967
Machinery	**-**	1,663,903	**-**	-
Plastic film	**-**	4,275,955	**-**	-
	13,779,529	10,598,825	**6,425,432**	4,658,967

7.1 Segment Reporting

The Executive Management Team is the Company's Chief Operating Decision Maker. The Management reviews the performance of both business and geographical segments periodically.

7.2 Geographical Segmental Revenue and Operating results for the year ended 31 March 2024-Group

	Kaduna	Kano	Port Harcourt	Onitsha	Lagos/Head Office	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Segmental Revenue	-	-	-	-	**13,779,529**	**13,779,529**
Cost of Sales	-	-	-	-	**(12,797,621)**	**(12,797,621)**
Gross Profit	-	-	-	-	**981,908**	**981,908**
Selling and Distribution Expenses	-	-	-	-	**(164,750)**	**(164,750)**
Administrative Expenses	-	-	-	-	**(1,212,649)**	**(1,212,649)**
Other Operating Income	-	-	-	-	**612,388**	**612,388**
Loss from Operating Activities	-	-	-	-	**216,897**	**216,897**
Finance Expenses	-	-	-	-	**(646,815)**	**(646,815)**
Profit before Tax	**-**	**-**	**-**	**-**	**(429,918)**	**(429,918)**

7.3 Business line Segmental Revenue and Operating results for the year ended 31 March 2024-Group

	Industrial Chemical	FMCG	Others	PU	Plastic film	Machinery	Head Office	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Segmental Revenue	**2,043,007**	**-**	**39,460**	**2,576,500**	**-**	**-**	**-**	**13,779,529**
Cost of Sales	**(1,909,566)**	**-**	**(6,870)**	**(2,339,361)**	**(4,117,301)**	**(1,179,722)**	**-**	**(12,797,621)**
Gross profit	**133,441**	**-**	**32,590**	**237,139**	**(4,117,301)**	**(1,179,722)**	**-**	**981,908**
Selling and Distribution Expenses	**(3,426)**	**-**	**-**	**-**	**(51,154)**	**(42,444)**	**-**	**(164,750)**
Administrative Expenses	**-**	**(133,670)**	**-**	**-**	**(198,458)**	**(285,867)**	**(803,048)**	**(1,212,649)**
Other Operating Income		**982**	**-**	**-**	**(73)**	**1,845**	**609,879**	**612,388**
Profit from Operating Activities	**130,015**	**(132,688)**	**32,590**	**237,139**	**(4,366,986)**	**(1,506,188)**	**(193,169)**	**216,897**
Finance Expenses	**-**	**(15)**	**-**	**-**	**(81,277)**	**(9,605)**	**(1,112,491)**	**(646,815)**
Profit before Tax	**130,015**	**(132,703)**	**32,590**	**237,139**	**(4,448,263)**	**(1,515,793)**	**(1,305,660)**	**(429,918)**

7.4 Geographical Segmental Revenue and Operating result for the year ended 31 March 2024-Company

	Kaduna N'000	Kano N'000	Port Harcourt N'000	Onitsha N'000	Lagos/Head Office N'000	Total N'000
Segmental Revenue	-	-	-	-	6,425,432	6,425,432
Cost of Sales	-	-	-	-	(5,770,456)	(5,770,456)
Gross profit					654,976	654,976
Selling and Distribution Expenses	-	-	-	-	(22,833)	(22,833)
Administrative Expenses	-	-	-	-	(803,048)	(803,048)
Other Operating Income	-	-	-	-	609,879	609,879
Profit from Operating Activities					438,974	438,974
Finance costs	-	-	-	-	(423,613)	(423,613)
Profit before Tax	-	-	-	-	15,361	15,361

7.5 Business line Segmental Revenue and Operating results for the year ended 31 March 2024-Company

	Industrial Chemicals N'000	N'000	Other N'000	PU N'000	Head Office N'000	Total N'000
Segmental Revenue	2,043,007		39,460	2,576,500	6,425,432	6,425,432
Cost of Sales	(1,909,566)		(6,870)	(2,418,157)	(5,770,456)	(5,770,456)
Gross profit	133,441	-	32,590	158,343	654,976	654,976
Selling and Distribution Expenses	-	-	-	-	(22,833)	(22,833)
Administrative Expenses	-	-	-	-	(803,048)	(803,048)
Other Operating Income	-	-	-	-	609,879	609,879
Profit from Operating Activities					438,974	438,974
Finance Expenses	-	-	-		(423,613)	(423,613)
Profit before Tax	-	-	-	-	15,361	15,361

7.6 Geographical Segmental Revenue and Operating results for the year ended 31 March 2023-Group

	Kaduna N'000	Kano N'000	Port Harcourt N'000	Onitsha N'000	Lagos/Head Office N'000	Total N'000
Segmental Revenue	-	-	-	-	10,598,825	10,598,825
Cost of Sales	-	-	-	-	(9,431,583)	(9,431,583)
Gross Profit	-	-	-	-	1,167,241	1,167,241
Selling and Distribution Expenses	-	-	-	-	(97,024)	(97,024)
Administrative Expenses	(1,560)	(787)	(3,217)	(101)	(1,290,491)	(1,290,491)
Other Operating Income	-	-	-	-	6,615,574	6,615,574
Loss from Operating Activities	**(1,560)**	**(787)**	**(3,217)**	**(101)**	6,395,300	6,395,300
Finance Expenses	-	-	-	-	(1,203,388)	(1,203,388)
Profit before Tax	(1,560)	(787)	(3,217)	(101)	5,191,912	5,191,913

7.7 Business line Segmental Revenue and Operating results for the year ended 31 March 2023-Group

	Industrial Chemical	FMCG	Other	PU	Plastic film	Machinery	Head Office	Total
Segmental Revenue	2,043,007	-	39,460	2,576,500	4,275,955	1,663,903	-	10,598,825
Cost of Sales	(1,909,566)	-	(6,870)	(2,339,361)	(4,117,301)	(1,179,722)	-	(9,552,820)
Gross profit	133,441	-	32,590	237,139	158,654	484,181	**-**	1,046,005
Selling and Distribution Expenses	(3,425)	-	-	-	(51,154)	(42,444)	-	(97,023)
Administrative Expenses	-	(133,670)	-	-	(198,458)	(285,867)	(672,496)	(1,290,491)
Other Operating Income	-	982	-	-	(73)	1,845	6,612,820	6,615,574
Profit from Operating Activities	130,016	(132,688)	32,590	237,139	(91,031)	157,715	5,940,324	6,274,065
Finance Expenses	-	(15)	-	-	(81,277)	(9,605)	(1,112,491)	(1,203,388)
Profit before Tax	130,016	(132,703)	32,590	237,139	(172,308)	148,110	4,827,833	5,070,676

7.8 Geographical Segmental Revenue and Operating results for the year ended 31 March 2023-Company

	Kaduna N'000	Kano N'000	Port Harcourt N'000	Onitsha N'000	Lagos/Head Office N'000	Total N'000
Segmental Revenue	-	-	-	-	4,658,967	4,658,967
Cost of Sales	-	-	-	-	(4,263,709)	(4,263,709)
Gross profit	**-**	**-**	**-**	**-**	395,258	395,258
Selling and Distribution Expenses	-	-	-	-	(3,426)	(3,426)
Administrative Expenses	-	-	-	-	(672,496)	(672,496)
Other Operating Income	-	-	-	-	6,612,820	6,612,820
(Loss)/profit from Operating Activities	**-**	**-**	**-**	**-**	6,332,155	6,332,155
Finance costs	**-**	**-**	**-**	-	(1,112,491)	(1,112,491)
(Loss)/profit before Tax	**-**	**-**	**-**	**-**	5,219,665	5,219,665

7.9 Business line Segmental Revenue and Operating results for the year ended 31 March 2023-Company

	Industrial Chemicals	FMCG	Other	PU	Head Office	Total
Segmental Revenue	2,043,007	-	39,460	2,576,500	4,658,967	4,658,967
Cost of Sales	(1,909,566)	-	(6,870)	(2,418,157)	(4,334,593)	(4,334,593)
Gross loss	133,441	-	32,590	158,343	324,374	324,374
Selling and Distribution Expenses	-	-	-	-	(3,426)	(3,426)
Administrative Expenses	-	-	-	-	(672,496)	(672,496)
Other Operating Income	-	-	-	-	6,612,820	6,612,820
Profit from Operating Activities	133,441	-	32,590	158,343	6,261,272	6,261,272
Finance Expenses	-	-	-	-	(1,112,491)	(1,112,491)
Profit before Tax	133,441	-	32,590	158,343	5,148,781	5,148,781

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
8. Cost of sales				
Opening inventory	**1,979,810**	1,377,545	**892,317**	169,419
Purchases	**12,797,621**	10,417,899	**5,642,943**	4,986,608
	14,777,432	11,795,443	**6,535,260**	5,156,027
Closing inventory (Note 20)	**(1,979,810)**	(2,363,860)	**(764,804)**	(892,317)
	12,797,621	9,431,583	**5,770,456**	4,263,709
9. Other operating income				
Profit on disposal of property, plant and equipment	**4,001**	2,752	**4,001**	983
Rental income	**565,924**	457,965	**565,924**	457,965
Management fees	**28,500**	24,000	**28,500**	24,000
Insurance income	**5,001**	-	**5,001**	-
Interest waived (Note 25.3)	**-**	4,693,516	**-**	-
Sundry income	**4,803**	25,153	**4,803**	4,717,687
Provision no longer required on staff advance	**1,063**	605	**1,063**	-
Provision no longer required on related parties:				
- associate (20g)	**587**	1,407,668	**587**	1,407,668
- other receivables	**-**	3,913	**-**	-
Interest received	**2,509**	2	**-**	-
	612,388	6,615,574	**609,879**	6,612,820
10. Selling and distribution expenses				
Sales expenses	**114,921**	76,119	**-**	-
Miscellaneous selling expenses	**10,825**	9,158	**-**	-
Advertising and sales promotion	**39,004**	11,747	**22,833**	3,426
	164,750	97,024	**22,833**	3,426

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	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
11. Administrative expenses				
Depreciation of property, plant and equipment	**109,257**	83,277	**93,396**	65,907
Repairs and maintenance	**191,360**	113,949	**151,302**	99,539
Salaries and wages	**239,975**	286,454	**117,681**	103,093
Legal and professional fees	**11,785**	11,937	**7,839**	6,105
Audit fees	**13,790**	12,375	**8,000**	7,000
Travelling expenses	**79,822**	111,174	**32,187**	59,767
Rent, rates and utilities	**27,533**	41,607	**4,689**	8,318
Warehouse rent	**2,068**	2,647	**13**	13
Gas and electricity expenses	**74,410**	54,568	**49,478**	35,473
Insurance	**28,089**	37,992	**9,462**	19,422
Bank charges	**15,386**	32,113	**15,354**	32,113
Vehicles expenses	**10,704**	6,896	**9,035**	4,635
Communication, printing and stationery	**37,769**	28,916	**8,246**	6,287
Directors' emoluments	**-**	8,600	**-**	1,500
Consultancy	**77,194**	25,500	**55,637**	17,275
Donations and subscriptions	**20,157**	18,470	**11,793**	11,455
Medical and staff welfare	**20,940**	49,793	**2,204**	1,123
Impairment charge (Note11.1)	**22,513**	8,704	**92,790**	1,391
Security expenses	**11,357**	11,636	**7,112**	8,587
Fines and Penalties	**96**	126	**30**	116
License and permit	**9,252**	11,450	**5,122**	2,227
Immigration expenses	**51,446**	21,305	**18,690**	4,441
Miscellaneous expenses (Note 11.2)	**51,622**	-	-	-
Sanitation/Cleaning Expenses	**8,144**	5,831	**8,144**	5,831
Fuel expenses	**89,550**	144,047	**89,550**	142,886
Others (Note 11.3)	**8,432**	39,887	**5,293**	27,994
	1,212,649	1,290,491	**803,048**	672,496
11.1 Impairment charges				
Trade receivables (note 21.3)	**21,977**	966	**21,977**	450
Impairment of investment in Dynamic	**-**	-	**70,277**	-
Other receivables (Note 21.8)	**536**	7,737	**536**	940
	22,513	8,704	**92,790**	1,391

11.2. This represent miscellaneous admin expenses, entertainment and back duty charges from Chellarams DMK.

11.3. This represent general office expenses, stocktaking expenses, tax audit expenses and Computer consumable expenses etc.

	Group		Company	
11.4. Exchange loss				
Unrealised exchange loss (Note 11.4.1)	**2,846,632**	121,237	**1,583,657**	-
Unrealised exchange gain	**(29,221)**	-	**(29,221)**	-
Realised exchange gain	**(32,139)**	-	**(32,139)**	70,885
	2,785,272	**121,237**	**1,522,297**	70,885

11.4.1 . This represent exchange loss from valuation of foreign suppliers invoice amount of goods from DMK Mena FZE and Camara Exm Ltd at 31 March 2024.

CHELLARAMS PLC

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	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
12. Finance costs:				
Interest on bank term loans and facilities	**643,566**	1,200,536	**420,364**	1,109,638
Interest on related party loan	**3,249**	2,852	**3,249**	2,852
	646,815	1,203,388	**423,613**	1,112,491
13. Profit before taxation is arrived at after charging:				
Depreciation of property, plant and equipment	**607,960**	161,776	**93,396**	65,907
Auditors' remuneration	**13,790**	12,375	**8,000**	8,050
Exchange loss	**2,785,272**	121,237	**1,522,297**	70,885
Directors' remuneration and fees	**-**	8,600	**-**	1,500
Interest on loans and overdrafts	**646,815**	1,203,388	**423,613**	1,112,491
14. Tax expense				
14.1 Per profit and loss account				
Income tax payable on results for the year:				
Income tax	**124,329**	115,772	**35,323**	49,296
Education tax	**-**	100,105	**-**	95,091
Police Trust Fund	**-**	258	**-**	258
Under/(over) provision in prior years:				
Income tax	**76,654**	(882)	**-**	-
Education tax	**6,208**	-	**-**	-
	207,191	215,253	**35,323**	144,645
Deferred tax write-back	**(419,421)**	(63,863)	**(417,978)**	(35,927)
	(212,230)	151,390	**(382,655)**	108,718
14.1 Per statement of financial position				
Balance at 1 April				
Income tax	**224,493**	249,060	**152,706**	83,102
Education tax	**-**	-	**-**	-
Capital gain tax	**-**	-	**-**	-
	224,493	249,060	**152,706**	83,102
Payments during the year:				
Income tax	**(214,722)**	(239,820)	**(108,852)**	(75,041)
Provision for the year:				
Income tax	**124,329**	115,772	**35,323**	49,296
Education tax	**-**	100,105	**-**	95,091
Police Trust Fund	**-**	258	**-**	258
under provision in prior years:				
Income tax	**76,654**	(882)	**-**	-
Education tax	**6,208**	-	**-**	-
Balance at 31 March	**216,962**	224,493	**79,177**	152,706

Income tax recognised in profit or loss

Company income tax is calculated at 30% of the estimated taxable income for the year based on the provisions of the Company Income Tax Act, CAP C21 LFN, 2004.

Education tax is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004 which is 2.5% of the assessable profit for the year.

The income tax expense for the year can be reconciled to the accounting profit as per the statement of comprehensive income as follows:

	2024 N'000	2023 N'000
Profit/(loss) before tax	**(1,506,936)**	5,148,780
Tax at the statutory corporation tax rate of 30%	**(452,081)**	1,544,634
Education tax at 2.5% of assessable profit	**-**	95,091
Effect of income that is exempt from taxation	**(407,037)**	(423,769)
Effect of expenses that are not deductible in determining taxable profit	**501,761**	20,225
Loss unrelieved	**407,490**	(1,141,384)
Balancing charge	**1,200**	295
Minimum tax charged	**-**	49,296
Police trust fund	**-**	257
Deferred tax writeback	**(417,978)**	(35,927)
Tax writeback/(expense) recognised in profit or loss	**(366,644)**	108,718
Effective rate	**24%**	2%

The tax rate used for 2024 and 2023 reconciliation above is the corporate tax rate of 30% and 2.5% for tertiary education tax payable by corporate entities in Nigeria on taxable profits under tax law in the country, for the year ended 31 March 2023. The charge for taxation in these financial statements is based on the provisions of the Company Income Tax Act, CAP C21 LFN, 2004.

The charge for education tax is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004 which is 2.5% of the assessable profit for the year.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
14.2 Deferred taxation				
Movement in deferred tax				
Deferred tax liabilities				
At 1 April	**457,466**	457,466	**418,194**	418,194
Charge in the year recognised in profit or loss	**-**	-	**-**	-
At 31 March	**457,466**	457,466	**418,194**	418,194
14.2.1 Deferred tax assets				
At 1 April	**(9,729)**	54,134	**(105,407)**	(69,480)
Write-back to profit or loss	**(489,682)**	(63,863)	**(417,978)**	(35,927)
At 31 March	**(499,411)**	(9,729)	**(523,385)**	(105,407)
Net deferred tax liabilities/(assets)	**(41,945)**	447,737	**(105,191)**	312,787

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

15. Property, plant and equipment - Group

	Leasehold lands N'000	Buildings N'000	Furniture, fittings & tools N'000	Motor vehicles N'000	Plant & machinery N'000	Office equipment N'000	Total N'000
Cost/valuation							
At 1 April 2022	2,754,285	3,950,517	259,094	182,222	2,061,376	176,532	9,384,026
Additions	-	-	1,980	5,000	140,780	2,454	150,214
Disposals	-	-	-	(17,950)	-	(105)	(18,055)
At 31 March 2023	2,754,285	3,950,517	261,074	169,272	2,202,156	178,881	9,516,184
At 1 April 2023	2,754,285	3,950,517	259,094	182,222	2,061,376	176,532	9,516,184
Additions	-	-	4,462	-	815,517	14,097	834,076
Disposals	-	-	-	-	(34,034)	(83)	(34,117)
At 31 March 2024	2,754,285	3,950,517	263,556	182,222	2,842,859	190,546	10,316,143
Accumulated depreciation and impairment							
At 1 April 2022	-	-	240,616	149,850	1,708,838	164,959	2,264,263
Charge for the year	-	42,606	3,629	11,206	101,092	3,233	161,766
Disposals	-	-	-	(17,450)	-	-	(17,450)
At 31 March 2023	-	42,606	244,245	143,606	1,809,930	168,192	2,408,579
At 1 April 2023	-	42,606	244,245	143,606	1,809,930	168,192	2,408,579
Charge for the year	-	79,008	2,900	10,166	72,389	4,247	168,710
Disposals	-	-	-	-	(34,034)	(83)	(34,117)
At 31 March 2024	-	121,614	247,145	153,772	1,848,285	172,356	2,543,173
Carrying amount as at 31 March 2024	**2,754,285**	**3,828,903**	**16,411**	**28,450**	**994,575**	**18,190**	**7,772,971**
31 March 2023	2,754,285	3,907,911	16,829	25,666	392,226	10,689	7,107,605

Land and buildings of the Company were revalued on 11 March 2022 by Messrs Ayo Otegbola and Co. Estate Surveyors and Valuers. Open market value of the land and buildings was put at N6,704,801,772 (Land 2,754,284,810 and building N3,950,516,962). The surplus arising from the revaluation was credited to the revaluation reserve. Subsequent additions are stated at cost. None of the group's assets were pledged as security in the year.

Depreciation charged is included in both administrative expenses in the statement of comprehensive income. No impairment loss was recognised in the year.

No impairment charged during the year

The depreciation charged is included in the income statements as detailed below:

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Cost of sales	**59,453**	78,489	**-**	-
Administrative expenses	**109,257**	83,277	**93,393**	65,907
	168,710	161,766	**93,393**	65,907

15.1 Property, plant and equipment - Company

	Leasehold lands N'000	Buildings N'000	Furniture & fittings N'000	Motor vehicles N'000	Plant & machinery N'000	Office equipment N'000	Total N'000
Cost/valuation							
At 1 April 2022	2,754,285	3,950,517	203,535	84,825	696,364	129,871	7,819,397
Additions	-	-	891	-	-	763	1,654
On disposals	-	-	-	(4,815)	-	(105)	(4,920)
At 31 March 2023	2,754,285	3,950,517	204,426	80,010	696,364	130,529	7,816,131
At 1 April 2023	2,754,285	3,950,517	204,426	80,010	696,364	130,529	7,816,131
Additions	-	-	4,003	-	14,954	8,193	27,150
Disposals	-	-	-	-	(34,034)	(83)	(34,117)
At 31 March 2024	2,754,285	3,950,517	208,429	80,010	677,284	138,639	7,809,164
Accumulated depreciation and impairment							
At 1 April 2022	-	-	191,962	84,759	649,888	127,241	1,053,850
Charge for the year	-	42,606	2,300	66	20,070	866	65,908
On disposals	-	-	-	(4,815)	-	(105)	(4,920)
At 31 March 2023	-	42,606	194,262	80,010	669,958	128,002	1,114,838
At 1 April 2023	-	42,606	194,262	80,010	669,958	128,002	1,114,838
Charge for the year	-	79,008	2,150	-	10,306	1,929	93,393
Disposals	-	-	-	-	(34,034)	(83)	(34,117)
At 31 March 2024	-	121,614	196,412	80,010	646,230	129,848	1,174,114
Carrying amount as at 31 March 2024	**2,754,285**	**3,828,903**	**12,017**	**-**	**31,054**	**8,791**	**6,635,050**
31 March 2023	2,754,285	3,907,911	10,164	-	26,406	2,527	6,701,295

a) Land and buildings of the Company were revalued on 10 March 2022 by Messrs Ayo Otegbola and Company, Estate Surveyors and valuers with FRC Number FRC/2014/00000004600. Open market value of the land and buildings was put at N10,058,208,480 (Land N4,131,840,400 and building N5,926,368,080) while the forced sale value was N6,704,801,772 (Land N2,754,284,810 and building N3,950,516,962). The surplus arising from the revaluation was credited to the revaluation reserve. Subsequent additions are stated at cost.

b). No impairment was charged during the year

c). Depreciation charged has been debited to administrative expenses

d). There is a negative pledge on the company's buildings with interest of various banks noted.

e). There is no other contractual commitments for the purchase of items of property, plant and equipment that has not been accounted for.

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
16. Investment in related companies				
Investment in subsidiaries				
Dynamic Industries Limited	**-**	-	**70,277**	70,277
United Technical and Allied Services Limited	**-**	-	**10,000**	10,000
Chellarams DMK Limited	**-**	-	**6,519**	6,519
	-	-	**86,796**	86,796
Impairment allowance on investment	**-**	-	**(76,795)**	(6,519)
	-	-	**10,000**	80,277
16.1 Movement in impairment allowance				
Balance brought forward	-	-	**(6,519)**	(6,519)
Addition	-	-	**(70,277)**	-
Balance carried forward	-	-	**(76,796)**	(6,519)

16.2 Composition of the Group

Name of the Subsidiary	Country of incorporation and principal place of business	Principal Activities	Proportion of ownership Interest held by the Group 2024	2023
Dynamic Industries Limited	Nigeria	Manufacturing of plastic film	**77.71%**	77.71%
United Technical and Allied Services Limited	Nigeria	Sales and servicing of Compressors, generators and material handling solutions.	**100%**	100%
Chellarams DMK	Nigeria	Sales of fast moving consumer	**74%**	74%

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17. Condensed results of consolidated entities
31 March 2024

17.1 Condensed statement of profit or loss and other comprehensive income	**Parent - Chellarams Plc N'000**	**Utas Ltd N'000**	**Dynamic Ltd N'000**	**CDMK Ltd N'000**	**Total N'000**	**Elimination N'000**	**Group N'000**
Revenue	6,425,432	1,794,783	8,293,285	-	16,513,500	(2,733,971)	13,779,529
Cost of sales	(5,770,456)	(1,440,265)	(8,320,871)	-	(15,531,592)	2,733,971	(12,797,621)
Gross profit/(loss)	654,976	354,518	(27,586)	-	981,908	-	981,908
Other operating income	609,879	-	2	2,507	612,388	-	612,388
Selling and distribution expenses	(22,833)	(60,719)	(81,172)	(25)	(164,750)	-	(164,750)
Administrative expenses	(803,048)	(220,685)	(207,167)	(47,596)	(1,278,496)	65,847	(1,212,649)
Profit/(loss) from operating activities	438,974	73,114	(315,924)	(45,114)	151,050	65,847	216,897
Finance costs	*(423,613)*	(9,268)	(213,934)	-	(646,815)	-	(646,815)
Net exchange loss	(1,522,297)	-	-	(1,262,975)	(2,785,272)	-	(2,785,272)
Profit/(loss) before taxation	15,361	63,846	(529,858)	(45,114)	(495,765)	65,847	(3,215,189)
Income tax expenses	382,655	(25,371)	(62,192)	(82,862)	212,230	-	212,230
Profit/(loss) for the year	398,016	38,475	(592,050)	(127,976)	(283,535)	65,847	(3,002,959)
Other comprehensive income:							
Items that will be reclassified to profit or loss	-	-	-	-	-	-	-
Total comprehensive income for the year	398,016	38,475	(592,050)	(127,976)	(283,535)	65,847	(3,002,959)
Profit for the year attributable to:							
Owners of the parent	398,016	38,475	(592,050)	(127,976)	(283,535)	560,614	(2,508,193)
Non-controlling interest	-	-	-	-	-	(494,767)	(494,767)
Profit.(loss) for the year	398,016	38,475	(592,050)	(127,976)	(283,535)	65,847	(3,002,960)
Total comprehensive income attributable to:							
Owners of the parent	398,016	38,475	(592,050)	(127,976)	(283,535)	560,614	(2,508,193)
Non-controlling interest	-	-	-	-	-	(494,767)	(494,767)
Total comprehensive income/(loss) for the year	398,016	38,475	(592,050)	(127,976)	(283,535)	65,847	(3,002,960)

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

31 March 2024

17.2 Condensed statement of financial position

	Parent - Chellarams Plc N'000	Utas Ltd N'000	Dynamic Ltd N'000	CDMK Ltd N'000	Total N'000	Elimination N'000	Group N'000
Non-current assets							
Property, plant and equipment	6,635,050	8,270	1,117,138	12,513	7,772,971	-	7,772,971
Investment in subsidiaries	10,000	-	-	-	10,000	(10,000)	-
Investments in associate	-	-	-	-	-	-	-
Financial assets at amortised cost	148,019	-	-	-	148,019	(148,019)	-
Deferred tax assets	105,191	-	-	-	105,191	(63,246)	41,945
Total Non-Current Assets	6,898,260	8,270	1,117,138	12,513	8,036,181	(158,019)	7,814,916
Current assets							
Inventory	764,804	395,499	819,507	-	1,979,810	-	1,979,810
Trade receivables	357,572	93,434	1,168,307	-	1,619,314	-	1,619,314
Other current asset	373,774	188,554	60,142	13,479	635,949	-	635,949
Due from related parties	5,171	2,431,029	511,068	-	2,947,268	(517,084)	2,430,184
Cash and cash equivalents	165,843	91,231	30,608	12,199	299,881	-	299,881
	1,667,163	3,199,747	2,589,632	25,678	7,482,222	(517,084)	6,965,138
Current liabilities							
Short term borrowings	-	-	874,827	-	874,827	-	874,827
Trade and other payables	3,457,363	334,297	2,690,762	2,095,223	8,577,646	84,612	8,662,258
Due to related parties	559,450	-	2,701	1,561,707	2,123,858	(1,448,150)	675,708
Taxation	79,177	27,340	41,466	68,980	216,962	-	216,962
	4,095,990	361,637	3,609,756	3,725,910	11,793,293	(1,363,538)	10,429,755
Net current assets/(liabilities)	(2,428,826)	2,838,110	(1,020,124)	(3,700,232)	(4,311,071)	846,454	(3,464,617)
Non-current liabilities							
Long term borrowings	2,536,340	2,000,000	401,000	-	4,937,340	-	4,937,340
Subordinated/ promoter's loan	1,310,791	-	-	-	1,310,791	-	1,310,791
Deferred tax		1,536	61,710	-	63,246	-	-
	3,847,132	2,001,536	462,710	-	6,311,378	-	6,248,132
Net assets	622,302	844,844	(365,696)	(3,687,719)	(2,586,267)	688,435	(1,897,832)
Equity							
Share capital	361,463	10,000	90,437	8,809	470,708	(109,245)	361,463
Preference shares	-	-	180,874	-	180,874	(180,874)	-
Revaluation reserve	6,409,404	-	-	-	6,409,404	-	6,409,404
Accumulated losses	(6,148,564)	834,844	(637,007)	(3,696,528)	(9,647,253)	2,026,299	(7,620,953)
	622,303	844,844	(365,696)	(3,687,719)	(2,586,267)	1,736,180	(850,087)
Non controlling interest	-	-	-	-	-	(1,047,745)	(1,047,745)
Total equity	622,303	844,844	(365,696)	(3,687,719)	(2,586,267)	688,435	(1,897,832)

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31 March 2023

17.3 Condensed statement of profit or loss and other comprehensive income	Parent - Chellarams Plc	Utas Ltd	Dynamic Ltd	CDMK Ltd	Total	Elimination	Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	4,658,967	1,663,903	8,294,619	-	14,617,489	(4,018,664)	10,598,825
Cost of sales	(4,263,709)	(1,179,722)	(8,057,168)	-	(13,500,600)	4,069,017	(9,431,583)
Gross profit/(loss)	395,258	484,181	237,451	-	1,116,889	50,353	1,167,242
Other operating income	6,612,820	1,845	(73)	982	6,615,574	-	6,615,574
Selling and distribution expenses	(3,426)	(42,444)	(51,154)	-	(97,024)	-	(97,024)
Administrative expenses	(672,496)	(285,867)	(198,458)	(133,669)	(1,290,491)	-	(1,290,491)
Profit/(loss) from operating activities	6,332,155	157,715	(12,234)	(132,687)	6,344,949	50,353	6,395,300
Finance costs	*(1,112,491)*	(9,605)	(81,277)	(15)	(1,203,388)	-	(1,203,388)
Net exchange loss	(70,885)				(70,885)	(50,353)	(121,237)
Profit/(loss) before taxation	5,148,780	148,110	(93,511)	(132,702)	5,070,676	-	5,070,676
Income tax expenses	(108,718)	(48,932)	7,038	-	(150,612)	(778)	(151,390)
Profit/(loss) for the year	5,040,062	99,178	(86,473)	(132,702)	4,920,065	(778)	4,919,286
Other comprehensive income:							
Items that will be reclassified to profit or loss							
Revaluation surplus	-	-	-	-	-	-	-
Total comprehensive income for the year	5,040,062	99,178	(86,473)	(132,702)	4,920,065	(778)	4,919,286
Profit for the year attributable to:							
Owners of the parent	5,040,062	99,178	(86,473)	(132,702)	4,920,065	4,973,063	4,973,063
Non-controlling interest	-	-	-	-	-	(53,777)	(53,777)
Profit.(loss) for the year	5,040,062	99,178	(86,473)	(132,702)	4,920,065	4,919,286	4,919,286
Total comprehensive income attributable to:							
Owners of the parent	5,040,062	99,178	(86,473)	(132,702)	4,920,065	52,999	4,973,063
Non-controlling interest	-	-	-	-	-	(53,777)	(53,777)
Total comprehensive income/(loss) for the year	5,040,062	99,178	(86,473)	(132,702)	4,920,065	(778)	4,919,286

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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31 March 2023

17.4 Condensed statement of financial position

	Parent - Chellarams Plc N'000	Utas Ltd N'000	Dynamic Ltd N'000	CDMK Ltd N'000	Total N'000	Elimination N'000	Group N'000
Non-current assets							
Property, plant and equipment	6,701,295	14,574	376,658	15,078	7,107,605	-	7,107,605
Investment in subsidiaries	80,277	-	-	-	80,277	(80,277)	-
Investments in associate	-	-	-	-	-	-	-
Financial assets at amortised cost	148,019	-	-	-	148,019	(148,019)	-
Total Non-Current Assets	6,929,591	14,574	376,658	15,078	7,335,901	(228,296)	7,107,605
Current assets							
Inventory	892,317	514,758	956,785	-	2,363,860	-	2,363,860
Trade receivables	64,778	168,989	2,302,333	13,454	2,549,554	(1,304,244)	1,245,310
Other current asset	315,747	123,471	20,685	-	459,903	(77,831)	382,072
Due from related parties	947,553	1,177,744	-	-	2,125,297	(2,093,660)	31,637
Cash and cash equivalents	87,645	66,633	465,586	34,826	654,690	-	654,690
	2,308,040	2,051,595	3,745,389	48,280	8,153,304	(3,475,735)	4,677,569
Current liabilities							
Short term borrowings	-	3,604	800,903	-	804,507	-	804,507
Trade and other payables	1,649,507	287,020	732,802	2,355,399	5,024,728	(1,474,231)	3,550,497
Due to related parties	1,072,717	916,231	1,600,245	-	3,589,193	(2,918,206)	670,987
Current tax liabilities	152,706	49,627	21,085	297	223,714	779	224,493
	2,874,930	1,256,482	3,155,035	2,355,696	9,642,142	(4,391,658)	5,250,484
Net current assets/(liabilities)	(566,889)	795,113	590,354	(2,307,416)	(1,488,837)	915,923	(572,915)
Non-current liabilities							
Long term borrowings	2,992,540	-	674,001	-	3,666,541	-	3,666,541
Subordinated/ promoter's loan	1,310,791	-	-	-	1,310,791	-	1,310,791
Deferred taxation	312,787	2,979	61,710	-	377,476	70,261	447,737
Net employee defined benefits	-	339	4,947	-	5,286	(792)	4,494
	4,616,118	3,318	740,658	-	5,360,094	69,469	5,429,563
Net assets	1,746,584	806,369	226,354	(2,292,338)	486,970	618,158	1,105,127
Equity							
Share capital	361,463	10,000	90,437	8,809	470,708	(109,245)	361,463
Preference shares		-	180,874	-	180,874	(180,874)	-
Revaluation reserve	6,409,404	-	-	-	6,409,404	-	6,409,404
Accumulated losses	(5,024,283)	796,369	(44,957)	(2,301,147)	(6,574,016)	1,461,255	(5,112,761)
	1,746,584	806,369	226,354	(2,292,338)	486,970	1,171,136	1,658,106
Non controlling interest	-	-	-			(552,979)	(552,979)
Total equity	1,746,584	806,369	226,354	(2,292,338)	486,970	618,158	1,105,127

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
18. Investment in associated companies				
Chellerams Retail Limited	**60,000**	60,000	**60,000**	60,000
Devyani International Nigeria Limited	**106,250**	106,250	**106,250**	106,250
Chellagric Limited	**4,450**	4,450	**4,450**	4,450
Isolo Power Gen. Limited	**148,300**	148,300	**148,300**	148,300
Chelltek Industries Limited	**10,000**	10,000	**10,000**	10,000
Chellco Industries Limited	**137,000**	137,000	**137,000**	137,000
	466,000	466,000	**466,000**	466,000
Impairment allowance for value of investment (Note 18.1)	**(466,000)**	(466,000)	**(466,000)**	(466,000)
Share of loss of associate companies	**-**	-	**-**	-
Net investment accounted for using equity method	**-**	-	**-**	-
18.1. Movement of impairment allowance				
Balance brought forward	**466,000**	466,000	**466,000**	466,000
Impairment losses for the year	**-**	-	**-**	-
	466,000	466,000	**466,000**	466,000
19. Financial assets at amortised cost				
12% Cumulative redeemable preference share	**-**	-	**148,019**	148,019

This represents the company's investment of 12% cumulative redeemable preference shares of N2.00 per share in Dynamic Industries Nigeria Limited.

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
20. Inventory				
Items in trade	**1,979,810**	1,962,097	**764,804**	892,317
Consumables	**-**	401,763	**-**	-
	1,979,810	2,363,860	**764,804**	892,317

Inventory to the value of Group N1.980 billion (2023: N2.364 billion) and Company N764 million (2023 : N982 million are carried at net realisable value. The amount charged to statement of comprehensive income in respect of write down of inventory to net realisable value for the Group is Nil (2023: Nil) and for Company is N879,325 (2023: Nil).

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
21. Trade receivables				
Trade receivables	**1,681,831**	1,307,827	**390,526**	97,732
Allowance for doubtful debts (Note 21.1)	**(62,517)**	(62,517)	**(32,954)**	(32,954)
Total trade receivables - net	**1,619,314**	1,245,310	**357,572**	64,778

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment are computed using the IFRS 9 simplified approach in measuring expected credit losses (ECL), using the lifetime expected credit loss allowance for all trade receivables. The provision matrix is applied, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value. However, the impairment calculation based on IFRS 9 resulted in **N2,312.93** difference and we considered it not material to be adjusted in the financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
21.1 Movement in impairment allowance for trade receivables				
At 1 April	**62,517**	65,607	**32,954**	33,109
Bad debts written off	**-**	(4,056)	**-**	-
Recovered during the year	**-**	-	**-**	(605)
Provision during the year	**-**	966	**-**	450
At 31 March	**62,517**	62,517	**32,954**	32,954
21.2 The age analysis of trade receivables is as follows:				
Past due < 30days	**578,923**	475,092	**95,538**	21,500
Past due 31-60 days	**435,768**	212,300	**87,482**	27,483
Past due 61-90 days	**326,607**	221,264	**75,490**	11,120
Past due 91-120 days	**215,498**	121,156	**92,144**	-
Past due 120 days and above	**125,035**	278,015	**39,872**	37,629
	1,681,831	1,307,827	**390,526**	97,732
22. Other current assets				
Prepayments - current portion (Note 22.2)	**31,740**	94,864	**11,567**	9,163
Staff receivables	**12,781**	13,642	**6,766**	9,346
Sundry receivables	**399,053**	33,651	**159,980**	118,968
Withholding tax credit note received	**194,847**	220,227	**194,847**	175,178
Withholding tax credit	**-**	19,412	**-**	-
Container deposit	**936**	-	**936**	536
VAT Recoverable	**-**	4,492	**-**	-
Insurance Claim Receivable	**3,712**	-	**105**	80
Deposit for assets (Note 22.2.1)	**53,368**	53,368	**53,368**	53,368
Other debit balance	**5,464**	-	**5,464**	-
Share application	**9,072**	9,072	**9,072**	9,072
ITF Recoverable	**1,383**	1,383	**1,278**	1,278
	712,355	450,111	**443,382**	376,989
Impairment allowance (Note 22.1)	**(76,406)**	(68,039)	**(69,609)**	(61,242)
	635,949	382,072	**373,774**	315,747
22.1 Movement in impairment allowance for other receivables				
At 1 April	**68,039**	64,215	**61,242**	64,215
Bad debts written-off	**2,563**	(3,913)	**4,401**	(3,913)
Provision during the year	**5,804**	7,737	**3,966**	940
At 31 March	**76,406**	68,039	**69,609**	61,242
22.2 Prepayments				
Prepaid rent	**12,697**	29,454	**160**	173
Prepaid customs duty	**4,382**	350	**4,382**	-
Prepaid port and handling fee	**-**	2,491	**-**	513
Prepaid Marine	**-**	97	**-**	-
Prepaid withholding tax	**-**	53,502	**-**	-
Prepaid others	**-**	2,279	**-**	8,191
Prepaid general insurance	**14,661**	6,691	**7,025**	286
Total prepayments	**31,740**	94,864	**11,567**	9,163
Non current portion	**-**	-	**-**	-
Current portion	**31,740**	94,864	**11,567**	9,163
	31,740	94,864	**11,567**	9,163

22.2.1 This represent advance payment for residential property.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
23. Due from related parties				
Receivables from subsidiary companies (Note 23.1)	**-**	-	**-**	915,916
Receivables from associated companies (Note 23.2)	**2,430,184**	31,637	**5,171**	31,637
	2,430,184	31,637	**5,171**	947,553
23.1 Amount due from related parties				
Chellarams DMK	**-**	-	**911,576**	912,163
Utas Limited	**-**	-	**-**	915,891
	-	-	**911,576**	1,828,054
Impairment allowance (Note 23.2)	**-**	-	**(911,576)**	(912,163)
	-	-	**-**	915,891
23.2. Movement in impairment allowance for receivables from subsidiary company				
Balance at beginning of the year	**912,163**	-	**912,163**	912,163
Recovery during the year	**(586.8)**	-	**(587)**	-
Balance at the end of the year	**911,576**	-	**911,576**	912,163
Amount due from associated Companies				
Chellarams Retail Limited	**268,382**	268,222	**268,382**	268,222
Chellarams Investments Limited	**81,403**	81,313	**81,403**	81,313
Chellagric Industries Limited	**44,599**	43,833	**44,599**	43,833
Chelltek Industries Limited	**57,596**	57,546	**57,596**	57,546
Devyani International (Nigeria) Limited	**1,758,712**	1,771,979	**1,758,712**	1,771,979
Chellco Industries Limited	**178,348**	-	**-**	-
Isolo Power Gen. Limited	**3,997,234**	1,752,433	**1,750,569**	1,752,433
Others	**10,123**	9,454	**10,123**	9,454
	6,396,397	3,984,780	**3,971,384**	3,984,781
Impairment allowance (Note 23.3)	**(3,966,213)**	(3,953,143)	**(3,966,213)**	(3,953,143)
Amount due from associated companies	**2,430,184**	31,637	**5,171**	31,637
Net amount due from related companies	**2,430,184**	31,637	**5,171**	947,528
23.3. Movement in impairment allowance for receivables from associated companies				
Balance at beginning of the year	**3,953,143**	5,360,811	**3,953,143**	5,360,811
Impairment charged/(write back)	**13,070**	(1,407,668)	**13,070**	(1,407,668)
Balance at the end of the year	**3,966,213**	3,953,143	**3,966,213**	3,953,143
24. Cash and cash equivalents				
Cash balances	**4,222**	9,149	**2,573**	2,679
Bank balances	**295,659**	645,541	**163,270**	84,966
	299,881	654,690	**165,843**	87,645

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
24.1 Cash and cash equivalent per statement of cash flows				
Cash and bank balances (Note 24)	**299,881**	654,690	**165,843**	87,645
Bank overdraft (Note 25.1)	**(1,085)**	(3,604)	**-**	-
Cash and cash equivalent as per cash flows	**298,796**	651,086	**165,843**	87,645
25. Borrowings				
25.1 Short term borrowings				
Bank overdrafts	**1,085**	3,604	**-**	-
Bank import finance	**100,742**	101,670	**-**	-
	101,827	105,274	**-**	-
Long term loans due within one year	**773,000**	699,233	**-**	-
	874,827	804,507	**-**	-

The Company had short term facilities with the following:

First City Monument Bank (FCMB)

Facility type	**Overdraft**
Amount	**N300,000,000**
Purpose	To augment working capital requirements including imports duties, clearing expenses, staff salaries, other operating expenses such as vendors payments.

Interest rate

Interest rate is 28% subject to review in line with changes in money market condition. Amount outstanding as at 31 March 2024 id N1.085 million.

Bank of Industries (BOI)

Facility type 1	**Term Loan**
Amount	**N365,000,000**

Purpose

For acquisition of items of plant and machinery, including Bag Making Machine, Heat Exchanger System, Filteretc. Interest rate is 9% per annum, subject to review, payable monthly in arrears. Tenor is 6 years with 12 months moratorium on principal repayment from the date of disbursement. Amount outstanding at 31 March 2024 is N273 million

First City Monument Bank (FCMB)

Facility type	**Short term financing**
Amount	**N200,000,000**

Purpose

To finance Company's local purchase transactions on behalf of Dynamic Industries Limited (Documentary Import Finance facility for LPF will not be available until loan principal and interest is fully paid. Tenor is 364 days starting from May 18, 2023 to May 16, 2024. Interest is 24% per annum. Amount outstanding at 31 March 2024, is N100.7 million

Bank of Industries (BOI)

Facility type 1	**Working Capital Loan**
Amount	**N500,000,000**

Purpose

For procurement of raw material required for the production of low density of Polyethylene and Polypropylene films used for packaging. The tenor is 3 year with 6 Months Moratorium on principal repayment commencing from the date of first disbursement. Interest rate is 14% per annuum subject to review and payable Monthly in areas. Principal repayment is 30 Monthly instalments of N16,666,666.67. Security is Bank Guaranty of term loan and working capital loan from FCMB or any other commercial bank acceptable to BOI

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
25.2. Long term borrowings				
Term loans	**5,710,340**	4,365,774	**2,536,340**	2,992,540
	N'000	**N'000**	**N'000**	**N'000**
Amount due within one year	**773,000**	699,233	**-**	-
Amount due after one year	**4,937,340**	3,666,541	**2,536,340**	2,992,540
	5,710,340	4,365,774	**2,536,340**	2,992,540
The movement in long term loan is as follows:				
Balance at the beginning of the year	**4,365,774**	1,962,416	**2,992,540**	1,955,796
Repayments	**(1,106,674)**	(1,954,182)	**(906,512)**	(1,955,796)
Additions during the year	**2,451,240**	4,357,540	**450,312**	2,992,540
	5,710,340	4,365,774	**2,536,340**	2,992,540
Amount due within one year	**-**	-	**-**	-
Amount due after one year	**5,710,340**	4,365,774	**2,536,340**	2,992,540

Related party borrowings - Chellco Industries Limited

During the year ended 31 March 2023, Chellco Industries Limited, an associated company advanced the sum of N2,992,540,072 to Chellarams Plc to settle its loan obligations with some banks. The terms of the loans are detailed below:

i) Tenor of 4 years commencing from 1 April, 2023 subject to mutually agreed extensions by the parties.

ii) Fixed interest rate of 14% per annum except the rate is mutually adjusted by both parties, provided always that Chellco may waive the agreed 14% interest rate at its discretion. However; this interest was reviewed upwards to 20% as at February 2024.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
25.3. Summary of waived interest				
Access bank	-	268,289	-	268,289
Union Bank of Nigeria Plc	-	573,272	-	573,272
UBA Plc	-	1,657,948	-	1,657,948
Ecobank	-	185,062	-	185,062
First Bank	-	531,786	-	531,786
Standard Chartered Bank	-	1,477,159	-	1,477,159
	-	4,693,516	-	4,693,516
25.4. Subordinated loan/ promoter's loan				
Balance at the beginning of the year	**1,310,791**	1,310,791	**1,310,791**	1,310,791

This represents a promoter's loan obtained by the Company to augment its working capital requirements. The Company in the year 2017 agreed with lender (Kabu Holding Limited) to redenominate the dollar loan to the equivalent amount in Naira on the exchange rate at which the loan facilities were converted on the date the loan were drawn down. The lender also waived the interest accrued on the facility.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
26. Trade and other payables				
Trade payables	**7,393,570**	2,500,859	**2,481,549**	781,824
Other payables and accruals (Note 26.1)	**1,268,687**	1,049,638	**975,814**	867,683
Total trade and other payables	**8,662,257**	3,550,497	**3,457,363**	1,649,507

Trade and other payables are stated at their original invoiced value. The Directors consider the carrying amount of trade and other payables to approximate their fair value.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
26.1 Other payables and accruals				
Advances from customers	**288,083**	45,126	**49,577**	45,126
Rent received in advance	**479,849**	357,358	**479,849**	357,358
Unclaimed dividend	**15,065**	15,065	**15,065**	15,065
Staff payables	**13**	13	**13**	13
Withholding tax payable	**13,009**	2,311	**4,377**	2,311
VAT payable	**196,856**	122,679	**165,966**	122,679
Sundry payables	**265,233**	322,185	**257,252**	322,185
PAYE	**1,755**	-	**-**	-
Pension (Note 26.1)	**8,825**	2,945	**3,716**	2,945
	1,268,687	867,683	**975,814**	867,683
26.1 Post employment benefits:				
Employee benefit obligation (Note 24(b))	**-**	4,494	**-**	-
Defined contribution pension plan	**8,825**	(1,549)	**3,716**	2,945
	8,825	2,945	**3,716**	2,945
26.2 Employees benefits obligations:				
Balance at the beginning of the year	**4,494**	4,716	**-**	-
Payments during the year	**(4,494)**	(222)	**-**	-
	-	4,494	**-**	-
Net defined benefits liabilities	**-**	(4,494)	**-**	-
27. Due to related parties	**675,709**	670,987	**559,450**	1,072,717
27.1 Due to subsidiaries companies				
UTAS Limited	**-**	-	**256,167**	-
DMK Deutches Michkotor (Germany)	**630,641**	-	**-**	-
Dynamic Industries Limited	**-**	-	**260,917**	1,032,618
	630,641	-	**517,084**	1,032,618
27.2 Due to associated companies				
Isolo Power Gen. Limited	**-**	247	**-**	-
Chellco Industries Limited	**2,701**	-	**-**	-
Due to DMK Deutsches Milchkontor Germany	**-**	630,641	**-**	-
Murli T. Chellarams Foundation	**42,367**	40,099	**42,367**	40,099
	45,068	670,987	**42,367**	40,099

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
28. Share capital				
Ordinary shares				
722,925,000 ordinary share of N0.50 each	**361,463**	361,463	**361,463**	361,463
29. Revaluation reserve				
At 31 March	**6,409,404**	6,409,404	**6,409,404**	6,409,404
30. Revenue reserve				
At 1 April	**(5,112,761)**	(10,085,824)	**(5,024,283)**	(10,064,346)
Profit/(loss) for the year	**(2,508,193)**	4,973,063	**(1,124,281)**	5,040,062
At 31 March	**(7,620,954)**	(5,112,761)	**(6,148,564)**	(5,024,283)
31. Non controlling interest				
Share of ordinary shares	**22,450**	22,450	**-**	-
Share of preference shares	**32,855**	32,855	**-**	-
Share of loss brought forward	**(608,283)**	(554,507)	**-**	-
Share of loss for the year	**(494,767)**	(53,777)	**-**	-
Balance at 31 March	**(1,047,745)**	(552,979)	**-**	-

32. Basic earnings per ordinary share

Basic (loss)/earnings per ordinary share of ₦0.50k each is calculated on the group's profit after taxation based on the number of shares in issue at the end of the year.

	Group 2024	Group 2023	Company 2024	Company 2023
(Loss)/profit for the year attributable to shareholders	**(2,508,193)**	4,973,063	**(1,124,281)**	5,040,062
Weighted average number of ordinary share in issue	**722,926**	722,926	**722,926**	722,926
Basic (loss)/earnings per share of ₦0.50k each (kobo)	**(347)**	688	**(156)**	697

33. Related Parties Disclosures

33.1 Transactions with related parties

The Company enters into various transactions with its related Companies and with other key management personnel in the normal course of business. The sales to and purchases from related parties are made at normal market price. Details of the significant transactions carried out during the year with the related parties are as follows:

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Due from related parties (Note 23)	**2,430,184**	31,637	**5,171**	947,553
Due to related parties (Note 27)	**675,709**	670,987	**559,450**	1,072,717

33.2 The aggregate value of transactions during the year relating to the company's related parties are as follows:

Related party	Relationship	Nature of transactions	Value of goods and services supplied (by)/to the party 2024 N'000	2023 N'000
Dynamic Industries Limited	Subsidiary	Transactions in the year relate to both expenses paid and income generated from subsidiary, these have been eliminated on consolidation.	**(92,852)**	(1,608,356)
United Technical and Allied Services Limited	Subsidiary	Transactions in the year relate to both expenses paid and income generated from subsidiary, these have been eliminated on consolidation.	**(1,172,151)**	1,300,467
Chellarams Retail Limited	Associate	Transactions in the year relate to expenses paid by the company on its behalf.	**-**	-
Chellagric Industries Limited	Associate	Transactions in the year relate to expenses paid by the company on its behalf.	**766,564**	1,918
Murli T. Chellarams Foundation	Associate	Charities and donation carried out on behalf of the company	**(2,267,651)**	(7,448)
Devyani International (Nigeria) Limited	Associate	Sales of goods, loans granted, interest charged and expenses paid on behalf of the associate company.	**(13,266,790)**	17,659
Chellco Industries Limited	Associate	Transactions in the year relate to advances received from the associate.	**456,862,139**	(5,639,008)
Isolo Power Generator Limited	Associate	Transactions in the year relate to both expenses paid and income generated from the associate company.	**(1,864,716)**	3,906

33.3 Transactions with key management personnel

Key management staff are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company.

Key management includes executive and non-executive directors and members of the Executive Management. The compensation paid or payable to key management for employee services is shown below:

33.3.1. Key management personnel

The Key management personnel of the Company include its directors (both executive and non-executive) and other identified key management staff.

Chief Suresh M. Chellaram	Managing Director
Mr. Aditya Suresh Chellaram	Chief Executive Officer

33.3.2 Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
33.3.3 Directors				
The aggregate emoluments of the Directors were:				
Fees	**-**	-	**-**	-
Other emoluments including pension contributions	**1,500**	1,500	**-**	1,500
	1,500	1,500	**-**	1,500
33.3.4 Chairman	**-**	-	**-**	-
	Number	**Number**	**Number**	**Number**
Directors earned fees in the following ranges:				
N800,000 and above	**5**	5	**5**	5
33.3.5 Employees				
Staff numbers and costs:				
The average number of persons employed (excluding Directors) in the Company during the year were as follows:				
Management	**20**	21	**10**	11
Senior staff	**26**	27	**13**	14
Supervisory/junior staff	**164**	164	**25**	25
	210	212	**48**	50
	N'000	**N'000**	**N'000**	**N'000**
The aggregate payroll costs of these persons were as follows:				
Wages, salaries, allowances and other benefits	**228,875**	267,484	**108,708**	95,788
Pension and social benefits	**11,101**	18,970	**8,973**	7,302
	239,975	286,454	**117,681**	103,091

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
The table below shows the number of employees of the Company (other than Directors) who earned over N100,000 during the year and which fell within the bands stated below:				
Less than N1,000,000	**86**	87	**6**	25
N1,000,001 - N2,000,000	**93**	94	**23**	-
N2,000,001 - N3,000,000	**23**	23	**12**	11
N3,000,001 - N4,000,000	**7**	7	**6**	13
N4,000,001 - N5,000,000	**-**	-	**1**	-
N5,000,001 and above	**1**	1	**-**	1
	210	212	**48**	50

34 Contingent liabilities
No guaranty was given to subsidiaries and associated companies during the year.

35 Pending litigations
There are several ongoing legal actions against the Company arising out of its normal business operations amounting to N88.4 million (2023: N141.4 million). The Directors believe that, based on currently available information and advice of counsels, none of the outcomes from such proceedings will have material adverse effect on the financial position of the Company.

36. Events after the reporting period
36 In the opinion of the Directors, there were no significant events after the reporting period that could have material effect on the state of affairs of the group As at 31 March 2024 and on the profit for the year ended on that date, which have not been adequately provided for or disclosed in these financial statements.

37. Comparative figures
Certain prior year figures have been reclassified to ensure proper disclosure and uniformity with current year's presentation. These reclassification have no impact on these consolidated financial statements.

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

OTHER NATIONAL DISCLOSURE

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 MARCH 2024

	Group				Company			
	2024 N'000	%	2023 N'000	%	2024 N'000	%	2023 N'000	%
Revenue	**13,779,529**		10,598,825		**6,425,432**		4,658,967	
Other income	**612,388**		6,615,574		**609,879**		6,612,820	
	14,391,917		17,214,399		**7,035,311**		11,271,787	
Bought in materials and services:-								
- Imported	**(17,041,288)**		(10,555,978)		**(7,907,556)**		(4,877,443)	
- Local	**-**		-		**-**		-	
Value (eroded)/added	**(2,649,371)**	**100**	6,658,421	100	**(872,245)**	**100**	6,394,344	100
Applied as follows:								
To pay employees:								
Employees' wages, salaries and other benefits	**239,975**	**(9)**	286,454	4	**117,681**	**(13)**	103,093	2
To pay Government:								
Taxation	**(212,230)**	**8**	151,390	2	**(382,655)**	**44**	108,719	2
To pay providers of capital:								
Finance costs	**646,815**	**(24)**	1,203,388	18	**423,613**	**(49)**	1,112,491	17
To provide for replacement of assets and growth:								
- Depreciation of property, plant and equipment	**168,710**	**(6)**	161,766	2	**93,396**	**(11)**	65,907	1
Deferred tax write back	**(489,682)**	**18**	(63,863)	(1)	**-**	**-**	(35,927)	(1)
- (Loss)/profit account	**(2,508,193)**	**95**	4,973,063	75	**(1,124,281)**	**129**	5,040,061	79
Non controlling interest	**(494,767)**	**19**	(53,777)	(1)	**-**	**-**	-	-
Value (eroded)/added	**(2,649,371)**	**100**	6,658,421	100	**(872,245)**	**100**	6,394,344	100

Value (eroded) /added represents the additional (expenditure)/wealth which the Company and its subsidiaries have been able to (utilised)create /by their own and their employees' efforts. This statement shows the (utilisation)/allocation of that wealth among all stakeholders and amount retained for the future creation of more wealth.

CHELLARAMS PLC

CONSOLIDATED FINANCIAL SUMMARY

31 DECEMBER	**2024**	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
GROUP					
Statement of financial position					
Non current assets	**7,814,916**	7,107,605	7,119,763	4,620,293	5,649,682
Net current liabilities	**(3,464,616)**	(572,915)	(7,144,399)	(10,020,203)	(7,319,539)
Non current liabilities	**(6,248,131)**	(5,429,563)	(3,789,523)	(1,622,899)	(1,538,908)
Net (liabilities)/assets	**(1,897,832)**	1,105,127	(3,814,160)	(7,022,809)	(3,208,765)
Capital and reserves					
Share capital	**361,463**	361,463	361,463	361,463	361,463
Revaluation reserve	**6,409,404**	6,409,404	6,409,404	4,082,970	4,082,970
Revenue reserve	**(7,620,954)**	(5,112,761)	(10,085,824)	(10,900,512)	(7,086,950)
Total equity attributable to owners of the Company	**(850,087)**	1,658,106	(3,314,957)	(6,456,079)	(2,642,516)
Non-controlling interest	**(1,047,745)**	(552,979)	(499,203)	(566,730)	(566,249)
Total equity	**(1,897,832)**	1,105,127	(3,814,160)	(7,022,809)	(3,208,765)
Statement of profit or loss					
Turnover	**13,779,529**	10,598,825	9,680,395	4,814,500	6,815,709
(Loss)/profit before taxation	**(3,215,190)**	5,070,676	1,155,936	(3,582,487)	(3,845,247)
Taxation	**212,230**	(151,390)	(273,721)	(231,556)	(84,808)
(Loss)/Profit for the year	**(3,002,960)**	4,919,286	882,215	(3,814,043)	(3,930,055)
Non controlling interest	**494,767**	53,777	(67,527)	481	176,867
Owners of the parents	**(2,508,193)**	4,973,063	814,688	(3,813,562)	(3,753,188)
Per share data (kobo):					
(Loss)/earnings per share	**(347)**	688	113	(528)	(519)
Dividend per share	**-**	-	-	-	-
Net (liabilities)/assets per share (kobo)	**(263)**	153	(528)	(971)	(444)

Basic loss/earnings per share are based on (loss)/profit for the year divided by the number of ordinary shares issued and fully paid at the end of each financial year.

Net (liabilities)/assets per shares are based on net (liabilities)/assets divided by the number of ordinary shares issued and fully paidat the end of each financial year.

CHELLARAMS PLC

SEPARATE FINANCIAL SUMMARY

31 DECEMBER	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
COMPANY					
Statement of financial position					
Non current assets	**6,898,260**	6,929,590	6,993,843	4,476,043	5,438,816
Net current liabilities	**(2,428,826)**	(566,888)	(6,672,020)	(9,160,103)	(6,237,566)
Non current liabilities	**(3,847,131)**	(4,616,118)	(3,615,301)	(1,401,012)	(1,427,972)
Net assets/(liabilities)	**622,303**	1,746,584	(3,293,479)	(6,085,072)	(2,226,722)
Capital and reserves					
Share capital	**361,463**	361,463	361,463	361,463	361,463
Revaluation reserve	**6,409,404**	6,409,404	6,409,404	4,082,970	4,082,970
Revenue reserve	**(6,148,564)**	(5,024,283)	(10,064,346)	(10,529,505)	(6,671,155)
Total equity	**622,303**	1,746,584	(3,293,479)	(6,085,072)	(2,226,722)
Statement of profit or loss					
Turnover	**6,425,432**	4,658,967	3,053,669	1,387,382	1,973,991
(Loss)/profit before taxation	**(1,506,936)**	5,148,780	536,305	(3,738,643)	(4,193,773)
Taxation	**382,655**	(108,718)	(71,146)	(119,707)	(11,356)
(Loss)/Profit for the year	**(1,124,281)**	5,040,062	465,159	(3,858,350)	(4,205,129)
Dividend declared	**-**	-	-	-	-
Per share data (kobo):					
(Loss)/earnings per share	**(155.52)**	697.18	64.34	(533.71)	(581.68)
Net assets/(liabilities) per share (kobo)	**86**	242	(456)	(842)	(308)

Basic loss/earnings per share are based on (loss)/profit for the year divided by the number of ordinary shares issued and fully paid at the end of each financial year.

Net assets/(liabilities) per shares are based on net assets/(liabilities) divided by the number of ordinary shares issued and fully paidat the end of each financial year.