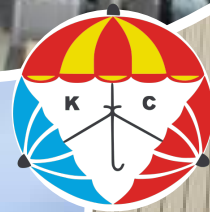


# Chellarams Plc

*Serving Nigeria since 1923*



## 2022 ANUAL REPORT & ACCOUNTS





Kentucky Fried Chicken (KFC), one of the global leaders in the fast food service industry, opened its first outlet at the City Mall in Onikan Lagos.

The brand was brought to Nigeria, via Devyani International Nigeria Ltd (Formed from a joint venture between RJ Corp of India and Chellarams Plc) and an agreement with Yum Restaurants International (YRI), who are the franchise owners of the KFC brand.

The fast-food opens seven days of the week from 9 a.m to 9 p.m.

The world-renowned fast-food restaurant offers the same tantalizing array of international menus they are known for, especially their chicken, along with some Nigerian delicacies.

Harland Sanders founded Kentucky Fried Chicken in 1952 at Louisville, Kentucky, United States. KFC has been operating under Yum Brands since 1997, when the company spun off from Pepsi-co as Trico Global Restaurants Inc,



## TABLE OF CONTENTS

Our Vision & Mission	2
Corporate Information	4
Corporate Profile	4
Notice of Annual General Meeting	6
Chairman's Statement	8
Chief Executive Officer;s Report	10
Board Of Directors	11
Members Of The Management Team	13
Report Of Directors	17
Report Of Corporate Governance	24
Statement Of Directors Responsibilities	27
In Relation To The Financial Statements	
Certification Pursuant To Section 60(2) Of The Investment And Security Act No. 29 Of Laws Of The Federal Republic Of Nigeria 2007	28
Report Of Audit Committee	30
Independent Auditor's Report	32
Consolidated And Separate Statement Of Profit Or Loss	37
Consolidated Statement Of Changes In Equity	39
Separate Statement Of Changes In Equity	40
Consolidated And Separate Statement Of Cash Flows	41
Notes To The Financial Statements	42
Other National Disclosure Consolidated Statement Of Value	76
Other National Disclosure Consolidated Five-year Financial Summary	77
Consolidation Of Accounts Form	80
Proxy/ authority To Admit	82
Request Of E-bonus	84
Request Of E-dividend And Change Of Address Form	86
List Of Unclaimed Dividends	89

## MISSION

To provide  
CHELLARAMS  
products in every  
home and factory  
in Nigeria  
and beyond

## VISION

To be a responsible,  
responsive, competitive  
and quality driven  
production and marketing  
company satisfying  
all our  
stakeholders

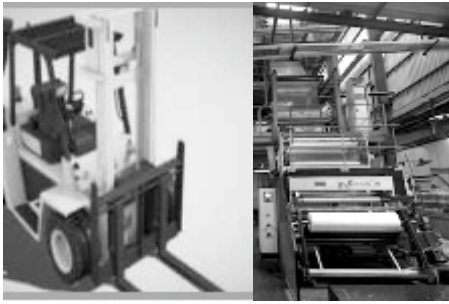
DIRECTORS, ADVISORS AND REGISTERED OFFICE

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 Esq. Plot 110/114 Oshodi - Apapa Expressway, Isolo, Lagos.
Company Registrar	Greenwich Registrars & Data Solutions Limited 274, Murtala Muhammed Way Alagomeji, Yaba, Lagos
Auditors	BDO Professional Services ADOL House 15, CIPM Avenue Cental Business District Alausa, Ikeja Lagos.
Bankers	Standard Chartered Bank Nigeria Limited Citibank Nigeria Limited First City Monument Bank Limited First Bank of Nigeria Limited United Bank of Africa Plc Eco Bank Plc Access Bank Plc Union Bank Plc Coronation Merchant Bank Limited

**CORPORATE PROFILE**

Chellarams Plc started operating in Nigeria in 1923 and was incorporated as a Limited Liability Company, K. Chellaram and Sons (Nigeria) Limited on 13th August, 1947. The Company became a Public Limited Liability and was listed on The Nigerian Stock Exchange on 29th November, 1974.

After more than 90 years of operations, Chellarams Plc has evolved into a well diversified organisation with business activities spanning operations in trading, distribution, services, plastics, textile, real estate, power generation, and quick service restaurants and industrial equipment.



**United Technical and Allied Services Limited**

United Technical and Allied Services Limited is an authorised distributor of Atlas Copco equipments and forklifts, reach trucks and warehousing racking.



**Dynamic Industries Limited**

Dynamic Industries Limited manufactures plastic film, using its monolayer and multilayer extruders.



*Chellco*

**Chellco Industries Limited**

Chellco Industries Limited is a textile company based in Kaduna. The Company manufactures quality blankets, shawls and knitting yarns.

**CORPORATE PROFILE (CONT'D)**



## Devyani International Nigeria Limited

Devyani International (Nigeria) Limited, a joint venture with Devyani International (India) is the exclusive franchisee of KFC in Nigeria.



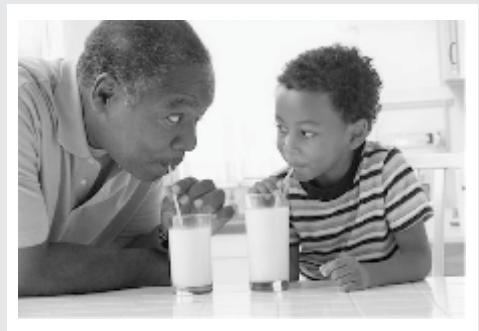
## Iso Power Gen Limited

Iso Power Gen Limited owns and operates a gas based generating plant to supply power to neighbouring industries in Isolo.



## Chellarams DMK Limited

Chellarams DMK Limited is engaged in the manufacturing, sales and distribution of FMCG (Fast Moving Consumer Goods) in Nigeria. It is a partnership between Chellarams Plc and DMK GmbH, Germany (owners of the Oldenburger brand).



**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 73<sup>rd</sup> Annual General Meeting of the members of Chellarams Plc will be held at Chellarams Training School Hall at Plot 110/114, Oshodi - Apapa Expressway, Isolo, Lagos, Nigeria on 24<sup>th</sup> November, 2022 at 1.00p.m to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive and consider the Audited Accounts for year ended 31st March, 2022 together with the reports of the Directors, Audit Committee and the Auditors thereon.
2. To re-elect the retiring Directors:
3. To authorise the Directors to fix the remuneration of the Auditors.
4. To disclose the remuneration of Managers
5. To elect members of the Audit Committee.

**SPECIAL BUSINESS**

As an Ordinary Resolution.

6. That the Directors' fees for the financial year ended 31 March 2022 be and as stated in paragraphs iii and iv, page 73 in the Annual Report

**NOTES**

## a. PROXY

In line with the guidelines of the Corporate Affairs Commission (CAC) on the conduct of the Annual General Meeting (AGM) of Public Companies by proxies, the Company has obtained the approval of CAC to hold the AGM with attendance by proxies. The number of attendance shall be limited to the maximum number of persons stipulated by the Federal Government of Nigeria and the Lagos State Government. The proceedings of the Annual General Meeting shall be streamed live.

## b. NOMINATED PROXIES

In compliance with the above guidelines, a member entitled to attend and vote at the AGM is advised to select from the under listed proposed proxies to attend and vote in their stead:

- i. Asiwaju (Dr.) S.K. Onafowokan
- ii. Chief Suresh M. Chellaram
- iii. Mr. Aditya S. Chellaram
- iv. Alhaji Ahmed Abdulkadir
- v. Mrs. Morenike Agbe - Davies
- vi. Mr. Ezekiel M. Faniyi
- vii. Prince Yomi Ogunsowo
- viii. Mr. Peter Eyanuku
- ix. Mr. Emmanuel E. Ebosele

A proxy form is attached to the Annual Report. All instruments of proxy must be deposited at the office of the Company's Registrars, Greenwich Registrars & Data Solutions Limited, 274 Murtala Muhammed Way, Alagomeji, Yaba, Lagos, P.M.B. 12717, Lagos or via E-mail: [info@gtlregistrars.com](mailto:info@gtlregistrars.com) not later than 48 hours before the time of the meeting. The Company has made arrangements to bear the cost of stamp duties on the instruments of proxy.

## c. CLOSURE OF REGISTER AND TRANSFER BOOKS

Notice is hereby given that the Register of Members and Transfer Books will be closed from 15<sup>th</sup> November, 2022 through 21<sup>st</sup> November, 2022; both dates inclusive.

## d. NOMINATIONS FOR THE AUDIT COMMITTEE



**NOTICE OF ANNUAL GENERAL MEETING (CONT'D)**

S.404(3) of the Companies and Allied Matters Act 2020 stipulates that the Statutory Audit Committee shall comprise of three (3) Shareholders and two (2) Directors and by Section 404(6), a nomination (in writing) by any member or shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the Annual General Meeting.

Section 404(5) of the Companies and Allied Matters Act 2020 requires that all members of the Audit Committee shall be financially literate and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We therefore request that nominations must be accompanied by a copy of the nominee's Curriculum Vitae

**e. UNCLAIMED SHARE CERTIFICATES AND DIVIDEND WARRANTS**

Several dividend warrants and remained unclaimed or are yet to be presented for payment or returned to the Company for revalidation. Members affected are advised to contact the Registrar, Greenwich Registrars and Data Solutions Limited, 274, Murtala Muhammed Way, Yaba, Lagos during normal working hours.

**f. E-DIVIDEND**

Notice is hereby given to all shareholders to open bank accounts in order to take advantage of the E-dividend payment platform. A detachable application form for e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of the accounts to the Registrars as soon as possible.

**g. WEBSITE**

A copy of this notice and other information relating to the meeting can be found at <http://www.chellaramsplc.com/>

**h. RIGHTS OF SECURITIES HOLDERS TO ASK QUESTIONS**

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting and such questions must be submitted to the Company Secretary at the registered office of the company on or before 21st November 2022

**i. RELECTION OF DIRECTORS**

In accordance with the provision of Company's and Allied Matters Act, 2020, the directors to retire by rotation at the Annual General Meeting are Chief Suresh M. Chellaram and Mrs. Angela Morenike Agbe - Davies. The two directors being eligible shall offer themselves for re-election.

Biographical details of directors for re-election are provided in the Annual Report.

**j. ELECTRONIC ANNUAL REPORT:**

The soft copy of the 2022 Annual Report is on our website and sent to our shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the soft copy of the 2022 Annual Report should request via email to: [info@gtlregistrars.com](mailto:info@gtlregistrars.com).

**k. STREAMING:**

The Annual General Meeting will be streamed live via the Company's website: <http://www.chellaramsplc.com/> This will enable shareholders who will not be attending the meeting physically to be part of the proceedings. The link for live streaming can be found on the Company's website.

DATED THIS 21<sup>ST</sup> DAY OF OCTOBER, 2022.

BY ORDER OF THE BOARD



EHIMARE ISIRAMEN ESQ

Company Secretary

FRC/2020/002/00000022116

PLOT 110/114, OSHODI-APAPA EXPRESSWAY

ISOLO, LAGOS

# Chairman's Statement

**ASIWAJU (DR.) SOLOMON KAYODE ONAFOWOKAN. OON, D.Sc, FIoD, FFS**



Members of Regulatory Agencies, Invited Guests,  
Gentlemen of the Press,  
Ladies and Gentlemen,

I am delighted to welcome you all to the 73rd Annual General Meeting of our Group and pleased to present to you our Annual Report and Financial Statements for the year ended 31 March, 2022.

## THE ECONOMIC OPERATING ENVIRONMENT IN YEAR 2021

The year 2021 started and ended with varied waves of CORONAVIRUS Pandemic with the second one called DELTA VARIANT and followed thereafter by OMICRON VARIANT during 4th Quarter of year 2021.

Conversely, our Organization was faced with disruptions in supply chain and massive increase in prices of Raw Materials and Finished goods with attendant surge in inflation rate while struggling to meet customers' demands at competitive prices. We suffered continuously with the Ban of Dairy Products and sourcing of Forex for opening of Letters of Credit for imports of Raw Materials.

However, with global roll-out of COVID-19 Vaccines, there emerged gradual flexible relaxations of some of the strict measures introduced by Governments globally on travel regulations.

The National Bureau of Statistics indicated that Nigeria's Gross Domestic Products (GDP) grew by 3.4% in 2021 as against deficit of 1.92% recorded in the year 2020 while inflation rate for the year ended 31 March 2022 peaked at 16.17%. Therefore, the gradual recovery of Nigeria's Economy which started in the 4th Quarter of 2020 was sustained in the year 2021 as non-oil Sector drove the growth by contributing 92.8% to GDP while Oil Sector contributed 7.2%. In order to check-mate the lingering Foreign Exchange (FOREX) challenges, the CENTRAL BANK OF NIGERIA introduced various Policy measures by the adoption of NAFEX as its Official Rate and stopped allocation of FOREX to Bureau-De-Change Operators in addition to rationing of Forex to the Manufacturing and Retail businesses. On top of it all, the insecurity across the Nation prevailed throughout the year 2021, thus eroding the Investors' confidence as well as restricted severely free movement of goods and services.

## OPERATING RESULTS AND PERFORMANCE

Due to COVIC-19 PANDEMIC which persisted in the year 2021 and commenced gradual relaxation in First Quarter of Financial year ended 31 March 2022, the operating results of our Group's turnover improved from N4.8 billion as at 31 March, 2021 to N9.7 billion by 31 March, 2022 while Group's profit before tax amounted to N1.2 billion as at 31 March, 2022 as against loss of N3.6 billion as at 31 March, 2021.

## DIVIDEND

As a result of the accumulated losses, your Directors could not recommend payment of Dividend for the year ended 31 March 2022.

## CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Because your Organization cannot continue to operate in a given environment without making an impact, we incurred undermentioned outlay on CSR:-

	N
(a) Scholarships for various Scholars whose programme were yet to be concluded	325,000
(b) Bursary awards to Sons/Daughters of Employees	3,375 339
(c) Funeral Assistance for Employees' Parents	350,000
(d) Medical Assistance to needy Nigerians	<u>827,240</u>
<b>Grand Total</b>	<b><u>4,877,579</u></b>

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
CHAIRMAN'S STATEMENT (Cont'd)**

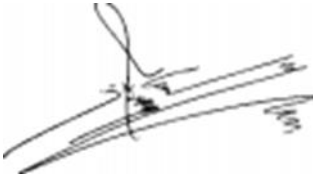
**OUTLOOK**

The outlook for year 2022, even though it is likely to continue to record weaknesses on part of Oil Sector contribution to GDP because of lower output on export of crude oil but on a happy note, there is continuous growth in the non-oil sector like Agriculture, Non-oil Exports, Trade and Digital Communications which should give credence to year to year prediction by International Monetary Fund of 3.4% while NIGERIAN BUREAU OF STATISTICS predicted 4%. Equally envisaged, is the determination of Governments all over the World to remove all impediments on COVID-19 Pandemic travel rules, which should aid envisaged macroeconomic recovery expected to be marginally better in year 2022. The volatile financial markets with regular MPR increase by Bankers Committee via CBN will, of course, affect performances of Manufacturing and Retail businesses during the year 2022 in addition to unresolved power infrastructural deficit.

**BOARD, MANAGEMENT AND STAFF**

Please join me in expressing my gratitude to my Colleagues on the Board for the sacrifices extended to our Organisation by giving their time without reward in the last two financial years. I just cannot thank you enough. Also let me express my profound gratitude to Management and Staff of our Organisation for their loyalty and steadfastness in the face of inflationary trend that may not end soon.

Thank you all for your rapt attention.



**ASIWAJU DR SOLOMON K. ONAFOWOKAN, OON**  
Chairman  
FRC /2013/IODN/0000005337

**CHIEF EXECUTIVE OFFICER'S REPORT**



Dear Shareholders,

The last year has followed the challenging trends of the preceding two years with marked decline in key national economic indicators, such as inflation, which has a direct impact on our operating expenses. In this context, we continue to focus on utilizing available capacities and resources to generate additional income and managing the relationships with our suppliers and other stakeholders in efforts to ensure business continuity. I can firmly say that the company is moving in a forward trajectory.

Our subsidiaries Dynamic Industries Ltd and United Technical Services Ltd are exploring new business opportunities in their respective sectors in packaging and industrial equipment. Devyani International Nigeria Ltd continues to establish new KFC outlets across the country to serve its ever growing clientele.

We are positive that with the measures already in place the company will continue to bring marked improvement in its operating results.

Sincerely,



ADITYA S. CHELLARAM

**Aditya Chellaram**  
Chief Executive Officer  
FRC/2013/IODN/00000005335

## BOARD OF DIRECTORS

**ASIWAJU (DR) SOLOMON KAYODE ONAFOWOKAN, OON, FioD, FFS  
CHAIRMAN**

Asiwaju Solomon Onafowokan was president of the Lagos Chamber of Commerce and Industry and currently chairs a number of boards including Chellarams Plc, Coleman Wire & Cables and Artee Industries Limited (owners of Park 'n' Shop).

He holds a Higher National Certificate in Business studies and a postgraduate degree in Business Administration both from Kingston College Surry, England and was conferred with National Honours of OON in 2006.

**CHIEF SURESH MURLI CHELLARAM  
MANAGING DIRECTOR**

Chief Suresh Chellaram has succeeded in growing the Nigeria Group into conglomerate whose activities span a wide spectrum of categories. He headed the Chellarams Group in the USA until 1984 when he joined Chellarams Plc (Nigeria) as the Group Investment Manager. He was appointed Managing Director in 1989.

A dedicated philanthropist, he has been involved in the Nigeria Economic Summit Group, Young Presidents Organisation, the Indian Cultural Association and various charitable groups in Nigeria, both directly and through the Murli T. Chellaram Foundation. He graduated with a degree in Business Administration from the University of California, San Diego in 1976.

**ALHAJI ADAMU AHMED ABDULKADIR  
NON-EXECUTIVE DIRECTOR**

Alhaji Abdulkadir is on the Board of several companies serving as the Chairman or as a Director. He was a Special Adviser to the President on Manufacturing and Private Sector and is currently a member of the Presidential Committee on Tariff and Incentives.

He trained in Sales Management, Marketing Research and Advertising in the United Kingdom, attaining an Advanced National Diploma in 1974 from the National School of Salesmanship, Manchester. He is a Fellow of the British Institute of Sales Engineers and British Institute of Sales Management.



**BOARD OF DIRECTORS (CONT'D)****ANGELA MORENIKE AGBE-DAVIES (MRS)  
NON-EXECUTIVE DIRECTOR**

Morenike Agbe- Davies studied at Sussex University and Inns of Court School of Law before starting her notable law career in Nigeria at the prestigious law firm of Aluko and Oyebode. She also obtained her masters degree in intellectual Property Law from the Kings College London.

She is the Managing Director of Silvax Legal and currently sits on the board of five companies as well as being a member of various international organisations including Black Solicitors Network, International Trademarks Association and MARQUES IP Organisation. She has appeared on CNBC Africa amongst others and has written articles for various Nigerian and International Publications.

**ADITYA S. CHELLARAM  
EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER**

As the CEO of Chellarams Plc, Aditya is responsible for managing the operations of the core business activities and administration of the company as well as acting as a bridge between corporate services and seven (7) Subsidiary and Associated companies of the Group. He joined Chellaram Retail Ltd in 2006 and later, Dynamic Industries Ltd in 2008 and continues to serve on their respective Boards of Directors.

Aditya is an active member of the YPO Lagos Chapter and has taken on various roles in its voluntary Executive Committee since 2014. He currently holds the position of YPO Lagos Chapter Chair. Aditya also serves on the Board of Trustees of the Murli T Chellaram Foundation, the Society of Performing Arts in Nigeria (SPAN) and the Eko Charitable Foundation for Poverty Alleviation.

He is also a non-Executive Director of Art House Contemporary Ltd., the largest Nigerian auction house of fine art.

Aditya graduated from Georgetown University in Washington, DC, USA.

**EHIMARE ISIRAMEN ESQ  
GROUP COMPANY SECRETARY /LEGAL ADVISER**

Mr. Isiramen was called to the Nigerian Bar in 2001 and was in private practice with several law firms engaged in corporate law practice before he joined company as a Senior Manager in 2008. He has worked progressively within the Chellarams Group and risen to the position of Assistant General Manager (Legal) before his appointment as Group Company Secretary/Adviser.

He is an experienced lawyer and Associate of the Chartered Institute of Secretaries & Administrators of Nigeria who has attended several conference and trainings relevant to his current role. He is a member of the Nigerian Bar Association and the International Bar Association.



## MANAGEMENT TEAM

**EMMANUEL.E.EBOSELE**  
**GENERAL MANAGER (FINANACE)**

Mr. Emmanuel .E. Ebosele is an accountancy graduate of Ambrose Alli University, Edo state.

An Associate member of the Institute of chartered Accountants of Nigeria (ACA), and also a Graduate Member Nigeria Institute of Management (NIM) He joined the company in 2009 as an Audit Executive. He has worked progressively within the Chellarams Group. He was transferred to PHC branch in 2011 as a Resident Auditor.

He rose to the position of a Branch Administrative Manager (PHC) after qualifying as a Chartered accountant in 2017.

He has more than thirteen years of varied experience in Auditing, accounting and finance, administration and warehousing. He has attended several internal and external training locally.



**RAJESH MISHRA**  
**CHIEF FINANCE OFFICER**

Mr. Mishra is a cost and management accountant with over 20 years of experience in Audit, Account, Finance, Costing and MIS, with significant experience and expertise in accounting, finance, audit and commercial matters.

Prior to joining Chellarams Plc, he was Finance Manager at Manitowoc (India), manufacturer of different types of crane; Mr. Mishra also worked as Cost Accountant in Tata Autocomp GY Batteries Ltd (India) and HLM Private Limited (India).



**MANAGEMENT TEAM (CONT'D)****EHIMARE ISIRAMEN ESQ  
GROUP COMPANY SECRETARY /LEGAL ADVISER**

Mr. Isiramem was called to the Nigerian Bar in 2001 and was in private practice with several law firms engaged in corporate law practice before he joined company as a Senior Manager in 2008. He has worked progressively within the Chellarams Group and risen to the position of Assistant General Manager (Legal) before his appointment as Group Company Secretary/Adviser.

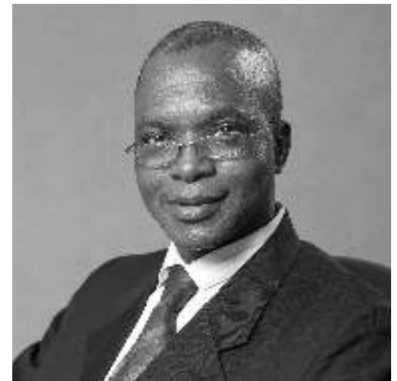
He is an experienced lawyer and Associate of the Chartered Institute of Secretaries & Administrators of Nigeria who has attended several conference and trainings relevant to his current role. He is a member of the Nigerian Bar Association and the International Bar Association.

**AKINRIN SAMUEL  
CHIEF INTERNAL AUDITOR**

Mr. Akinrin is a Chartered Accountant with over 20 years cognate experience cutting across manufacturing industries, audit practice, internal control and audit, finance, accounting, taxation and management accounting, among others, with significant expertise in audit, tax, management accounting and consulting.

He holds both M. Sc. Finance and MBA - Mgt. Technology degree prestigious Covenant University, Ota and Federal University of Technology Akure respectively. He is a Fellow of the Institute of Chartered Account Nigeria (FCA), Fellow of Chartered Institute of Taxation of (FCTI), Associate of Chartered Institute of Bankers of Nigeria (ACIB), Associate Institute of Chartered Secretaries and Administrators of Nigeria (ACIS) Member of Nigerian Institute of Management (MNIM), among others.

Prior to joining Chellarams Plc, he was Ag. Chief Accountant of Nigerian Romanian Wood Industries (NIROWI), Ondo and had worked as Accountant with Stanmark (Cocoa) Export Processing Company (subsidiary of Cadbury Plc), Ondo, as well as Principal Accountant Citizenship and Leadership Training Centre (C. L. T. C.), Abuja FCT parastatal category A with Federal Ministry of Youths and Sports, among others. He was appointed AGM-Audit in April, 2010, Chief Internal Auditor in January, 2012 and presently monitors the systems and processes Conglomerate. He passionately researches into corporate restructuring, ensuring strategic repositioning of firms for effective activation deliverables.







# Chellarams Plc

Serving Nigeria Since 1923

**WE SUPPLY CHEMICALS TO  
THE FOLLOWING INDUSTRIES:**



110/114, Oshodi - Apapa Expressway Isolo, Lagos, Nigeria  
For Enquiries: 0805 509 9012, 0805 619 9329



# REPORT OF THE DIRECTORS



## REPORT OF THE DIRECTORS

The Directors are pleased to present to the members of the Company, their report together with Audited Financial Statements for the year ended 31st March, 2022.

### STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs was satisfactory and no event has occurred since the balance sheet date that would affect the financial statements as presented.

### LEGAL FORM

Chellarams Plc was incorporated on 13th August, 1947 as a Private Limited Liability Company. The Company became a Public Limited Liability Company and was admitted to the official list of The Nigerian Stock Exchange on 29th November, 1974.

### ACTIVITIES

Chellarams Plc is a fully integrated Sales and Marketing Organisation with Pan-Nigeria coverage through an extensive branch network and distributor base.

The Company's trading operations is focused on distribution of polyurethane, industrial chemicals, raw materials and also providing warehousing and logistics services.

Three subsidiary Companies and five associated Companies further comprise the Group's operations.

### RESULTS FOR THE YEAR

The highlights of the Company's trading results for the year ended 31 March, 2022:

#### Financial information - (in thousands of naira)

	2022	2021	increase/ (Decrease) %
Revenue	3,053,669	1,387,382	120
Loss before taxation	536,305	(3,738,643)	114
Profit/(loss) for the year	465,159	(3,858,350)	112
Share capital	361,463	361,463	-
Total equity	(3,293,479)	(6,085,072)	(46)

#### Data per 50k share- (in Naira)

Basic loss per share	1	(5)	112
Diluted loss per share	1	(5)	112
Net liabilities	<u>(3,293,479)</u>	<u>(6,085,072)</u>	(46)

#### Stock Exchange Information

Stock exchange quotation at 31 March in Naira Per share	<u>2.24</u>	<u>2.24</u>
Number of shares issued ('000)	722,925	722,925
Market capitalization at 31 March (in N'000)	<u>1,619,352</u>	<u>1,619,352</u>

**REPORT OF THE DIRECTORS (CONT'D)****REVIEW OF BUSINESS AND FUTURE PROSPECTS**

The review of the Company's business and future prospects contained in the Chairman and Chief Executive Officer's Statements are an integral part of the Directors' Report and should be read in conjunction with the Directors' Report.

**DIVIDEND**

As a result of the company's performance during the year under review, the Board is unable to recommend the payment of dividend.

A turnaround in the Balance Sheet is expected in view of the substantial investments and the Directors are hopeful that a positive general reserve will be achievable in the near future.

A list of shareholders with unclaimed dividends have been compiled and is attached to this report. Shareholders who find their names on the list and have claimed their dividends since 31 March, 2022 should kindly ignore the attached list. However shareholders who are yet to claim their unclaimed dividend should contact the Company Secretary or the Registrars, Greenwich Registrars & Data Solutions Limited, 274, Murtala Muhammed Way, Lagos.

**BOARD OF DIRECTORS**

The Board comprises of the following:

Asiwaju Solomon K. Onafowokan, OON	-	Chairman
Chief Suresh M. Chellaram	-	Managing Director
Mrs. Angela Morenike Agbe - Davies	-	Non-Executive Director
Mr. Aditya S. Chellaram	-	Chief Executive Officer
Alhaji Ahmed A. Abdulkadir	-	Non-Executive Director

**DIRECTORS' RETIRING BY ROTATION**

In accordance with the Articles of Association of the Company and Section 285(2) of the Companies and Allied Matters Act, 2020, Alhaji Ahmed A. Abdulkadir and Mr. Aditya S. Chellaram are the directors retiring by rotation. Alhaji Ahmed A. Abdulkadir and Mr. Aditya S. Chellaram being eligible, offer themselves for re-election.

**DIRECTOR'S INTEREST IN CONTRACT**

None of the Directors has notified the Company of any declarable interest in any contract or proposed contract to which the company was a party to during the year ended 31 March, 2022 for the purpose of section 303 of the Companies and Allied Matters Act, 2020.

**SHARE CAPITAL AND SHAREHOLDING****Authorised Share Capital:**

The authorised share capital of the Company is N750,000,000 made up of 1,500,000,000 Ordinary Shares of 50k each.

**Called Up, Issued and Fully Paid Share Capital:**

The Company's issued and paid up share capital as at 31 March, 2022 was N361,462,500 divided into 722,925,000 Ordinary Shares of 50k each.

## REPORT OF THE DIRECTORS (CONT'D)

## DIRECTORS' SHAREHOLDING

The Directors' interest in the issued share capital of the Company as recorded in the Register of Members for the purposes of Section 301 and 302 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Exchange Limited (NGX) for the year under review are as follows

Names of Directors	Direct Holding as at March 31, 2022	Indirect Holding as at March 31, 2022	% Holding as at March 31, 2022 (Direct)	% Holding as at March 31, 2022 (Indirect)	Direct Holding as at March 31, 2021	Indirect Holding as at March 31, 2021
Chief S. M. Chellaram	-	289,170,000	-	40%	-	289,170,000
Mr. A. S. Chellaram	-	118,571,292	-	16.40%	-	118,571,292
Asiwaju S. K. Onafowokan	2,762,012	17,121,688	0.38%	2.37%	2,762,012	17,121,688

- Asiwaju S. K. Onafowokan represents the interest of Eskay Investment Limited
- Chief S. M. Chellaram represents the interest of Chellsons (Bermuda) Limited
- Mr. A. S. Chellaram represents the interest of Westfield Consultants Limited

## ANALYSIS OF SHAREHOLDING

The following is the analysis of shareholdings in the Register of Members as at 31 March, 2022:

Share Range	No of Shareholders	% of Shareholders	No of Holding	% Shareholding
1-1,000	307	9.72	156,397	0.02
1,001-5,000	1,143	36.18	4,124,106	0.57
5,001-10,000	769	24.34	6,100,951	0.84
10,001-50,000	713	22.57	15,907,704	2.2
50,001-100,000	110	3.48	7,706,455	1.07
100,001-500,000	95	3.01	17,299,633	2.39
500,001-1,000,000	8	0.25	5,952,764	0.82
1,000,001- AND	14	0.44	665,676,990	92.08
	3,159	100	722,925,000	100

## PARTICLARS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE ISSUED SHARE CAPITAL OF THE COMPANY

S/N	Shareholder's Name	Holding	% Holding
1	Chellsons (Bermuda) Limited	289,170,000	40
2	Introtex Corporation	137,700,000	19.05
3	Westfield Consultants Limited	118,571,292	16.4
4	Murli T. Chellaram Foundation	49,101,720	6.79

No other individual or entity other than as listed in the table holds 5% or more of the Company's issued share capital.

**REPORT OF THE DIRECTORS (CONT'D)**

**SHARE CAPITAL HISTORY**

S/N	YEAR	SHARES	DESCRIPTION	AMOUNT (₦)	METHOD
1	2005	180,731,250	Ordinary Shares of 50 Kobo	180,731,250	Bonus 1:1
2	2006	361,462,500	Ordinary Shares of 50 Kobo	180,731,250	
3	2007	361,462,500	Ordinary Shares of 50 Kobo	180,731,250	
4	2008	361,462,500	Ordinary Shares of 50 Kobo	180,731,250	
5	2009	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	Bonus 1:1
6	2010	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
7	2011	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
8	2012	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
9	2013	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
10	2014	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
11	2015	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
12	2016	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
13	2017	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
14	2018	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
15	2019	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
16	2020	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
17	2021	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	
18	2022	722,925,000	Ordinary Shares of 50 Kobo	361,462,500	

**BONUS HISTORY**

S/N	YEAR	BONUS ISSUED	METHOD
1	2000	40,162,500	1:2
2	2003	60,243,750	1:2
3	2005	180,731,250	1:1
4	2009	361,462,500	1:1

**PROPERTY, PLANT AND EQUIPMENT**

Information relating to changes in the property, plant and equipment is given in Note 15(a) and 15(b) in the Financial Statements

**DONATIONS**

BENEFICIARIES	N
Scholarship for various Nigerian scholars	325,000
Education assistance to employees sons/daughters	3,375,339
Funeral assistance to indigent employees parent	350,000
Medical assistance to needy Nigerians	827,240

In accordance with section 43(2) of the Companies and Allied Matters Act, 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose during the year.

**REPORT OF THE DIRECTORS (CONT'D)****AUDITORS**

The External Auditors, BDO Professional Services served the Company during the 2021/2022 financial year and have indicated their willingness to continue in office as auditors in accordance with section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed to authorise the Directors to fix their remuneration.

**SECURITIES TRADING POLICY**

The Company has securities trading policy applicable and circulated to directors, insiders, external advisers and all employees that may at any time possess any inside or material information about our company.

The Company has adopted a code of conduct regarding securities transaction by the directors on terms no less exacting than the required standard set out in the Listing Rules of the Nigerian Stock Exchange.

The Company made specific enquiry of all directors whether they have complied with the required standard set out in the listing rules and the Company's code of conduct regarding securities transactions by directors and the company is unaware of any non-compliance.

**COMPLAINTS MANAGEMENT POLICY**

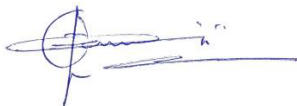
In accordance with the Securities and Exchange Commission's Rule relating to the Complaints Management Framework of the Nigerian Capital Market which became effective in February 2015, Chellarams Plc has put in place a Complaints Management Policy for the effective and efficient handling of shareholders' complaints arising from issues covered under the Investments and Securities Act, 2007 in a fair, impartial and timely manner.

The complaints management procedure has been posted on the Company's website:

[www.chellaramsplc.com](http://www.chellaramsplc.com).

All complaints should be directed to:

GTL Registrars Limited  
274, Muritala Muhammed Way  
Alagomeji, Yaba, Lagos  
P.M.B. 12717  
Lagos, Nigeria  
Telephone: +234 12793161, +234 18131925  
E-mail: info@gtlregistrars.com  
Website: www.gtlregistrars.com

**BY ORDER OF THE BOARD**


**Ehimare Isiramen Esq.**  
Company Secretary  
FRC/2020/002/00000022116

**PLOT 110/114, OSHODI-APAPA EXPRESSWAY  
ISOLO, LAGOS**

**Real Milk**

Be Natural. Be Real. Be you.

Quality Product from **Chellarams Plc**

**Regal Milk**

Instant Filled Milk Powder

The new family milk with a big heart

- Vitamin A & D
- Protein
- Calcium

حليب ريفال

for the love of family



# REPORT OF CORPORATE GOVERNANCE



**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS, 31 MARCH 2022  
REPORT OF CORPORATE GOVERNANCE**

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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 three (3) times during the financial year ended 31 March 2022 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	3	3
Chief S. M. Chellaram	3	3
Mr. A. S. Chellaram	3	3
Alhaji A. A. Abdulkadir	3	3
Mrs. Morenike Agbe Davies	3	3

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS, 31 MARCH 2022  
REPORT OF CORPORATE GOVERNANCE**

The meetings were held on 1st September 2021, 18th November, 2021 and 2nd February 2022 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 Six (6) members made up of two Non-Executive Directors, one Executive Director and three shareholder representatives. However, it was reduced to Five (5) members in compliance with the provision of Section 404(3) of the Companies and Allied Matters Act, 2020. The committee serves as a focal point for communication and oversight regarding Financial Accounting Reporting, Internal Control and Compliances.

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

Members	No. of meetings held	No. of meetings attended
Mr. Ezekiel Faniyi	2	2
Alhaji Ahmed A. Abdulkadir	2	2
Mr. AdityaS. Chellaram	1	1
Mr. Peter Eyanuku	2	2
Mrs Angela Morenike Agbe - Davies	2	2
Prince Yomi Ogunsowo	2	2

The meetings were held on 2nd September, 2021 and 30th March 2022.

**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 2021 and a record of their attendance is shown below:

Members	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 30th August, 2021 and 30th March, 2022 respectively.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS, 31 MARCH 2022  
REPORT OF CORPORATE GOVERNANCE**

**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:

Members	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 30th August, 2021 and 30th March, 2022.

**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**

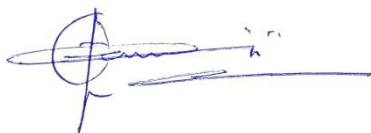
In compliance with statutory and regulatory requirements the Annual General Meeting of the company was held virtually by proxy on 3rd February, 2022 and it gave the opportunity to the shareholders of the company or their proxies to deliberate and take decisions on the issues affecting the company. The 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 AND ITS SUBSIDIARY COMPANIES  
STATEMENT OF DIRECTORS RESPONSIBILITIES  
IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

The Companies and Allies Matters Act, 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

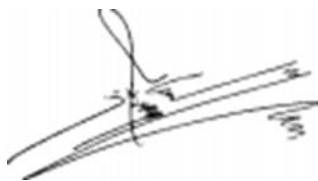
- a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020.
- b) Establishes adequate internal control to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, 2020.

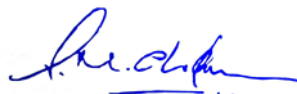
The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and its profit or loss. The Directors further accept responsibilities for the maintenance of accounting records that may be relied upon in the preparation of these 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. SOLOMON K. ONAFOWOKAN, OON**  
Chairman  
FRC/2013/IODN/00000005337



**SURESH M. CHELLARAM**  
Managing Director  
FRC/2013/IODN/00000005336

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**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 Financial Statements for the year ended 31 March 2022 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 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 present 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



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

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS, 31 MARCH 2022  
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 2022 and based on our knowledge confirm as follows:

- a) the audited 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 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 2022.
- 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 2022.
- 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

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
REPORT OF THE AUDIT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2022**

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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 Financial Statements of the Company for the year ended 31 March, 2022 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/0000010981

**Other Members:**

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



**INDEPENDENT AUDITORS' REPORT TO THE  
SHAREHOLDERS OF CHELLARAMS PLC  
AND ITS SUBSIDIARY COMPANIES  
REPORT OF THE AUDIT OF FINANCIAL STATEMENT**





Tel: +234 1 4483050-9  
+234 (0) 903 644 0755  
bdonig@bdo-ng.com  
www.bdo-ng.com

ADOL House  
15 CIPM Avenue  
Central Business District,  
Alausa, Ikeja  
P. O. Box 4929, GPO, Marina  
Lagos, Nigeria

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated and separate financial statements of Chellerams Plc and its Subsidiary Companies ('together the Group') which comprise, the consolidated and separate statement of financial position as at 31 March 2022, the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity, and consolidated and separate 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 and other explanatory notes.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Chellerams Plc and its subsidiary companies as at 31 March 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011 and the Companies and Allied Matters Act, 2020.

#### Basis for 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 consolidated and separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants 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 International Ethics Standards Board 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

We draw attention to note 32 to the financial statements which indicates that the Company made a profit before taxation of N536.31 million (Group: profit of N1.16 billion) for the year ended 31 March 2022 (2021: Company loss of N3.7 billion, Group loss of N3.6 billion) and as at that date its current liabilities exceeded its current assets by N6.7 billion (Group - N7.1 billion) (2021: company N9.2 billion, Group - N10 billion) and had negative shareholders' funds of N3.3 billion (Group - N3.8 billion) (2021: company N6.1 billion, Group - N7 billion). These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion in respect of this matter is not modified.

#### Key Audit Matters

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

#### Valuation of Inventory

Inventory is carried in the financial statements at the lower of cost and net realisable value. Sales of consumable items can be extremely volatile considering the market competition and the changes in consumers taste. As a result there is a risk that the carrying value of inventory may exceed its net realisable value.

BDO Professional Services, a firm of Chartered Accountants registered in Nigeria, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Partners: E. Olaseinde Olabisi, Olugbemiga A. Akibayo, Kamar Salami, Henry B. Omodigbo, Gideon Adewale, Olusegun Agbana-Anibaba  
BN: 170585



#### Response

Our audit procedures included, among others the following:

##### - NRV Testing

For a sample of items in inventory, we verified that the final selling price is above cost after making provision for any additional costs to completion, and costs to sell.

- for sales price - checked selling prices to price lists, prior and current invoicing, etc, allowing for any normal trade and quantity discounts.
- for costs to sell - reviewed computations of selling costs.
- Obtained an understanding of the reason for any item that had an NRV less than cost, and consider the need for a provision on any of such items.

##### - Price Test - Items in trade

Obtained inventory valuation report at year end

- Agreed basis of valuation to group accounting policy
- Agreed valuation report to physical inventory count report
- Selected using BDO sampling approach the inventory value for testing
- Obtained stock ledger for selected items
- Extracted opening inventory in quantity and value
- Obtained weighted average per unit of purchases in quantity and value
- Compared with weighted average used for valuation
- Investigated any difference noted

#### Revenue recognition

Revenue is recognised when invoices are raised and not when goods are delivered and acknowledged by customers. There is possibility of misstatement of revenue if sales returns after year end are not properly recorded.

#### Response

Our audit procedures included, among others the following:

##### - Vouched a sample of goods supplied to revenue recorded for the year

- For a sample of goods dispatched or supplied, agreed to invoice and invoice listing.
- For cash sales, traced cash received to cash received register.
- For credit sales, traced sales to customer's account statement.
- Agreed sales returns to approved credit notes.
- Ensured that sales relates to the appropriate period.

##### - Confirmed revenue cycle cut-off from invoices recorded

- Obtained details of invoices raised over one week either side of the year end.
- Verified that the related goods were supplied and delivered in the matching accounting period.

##### - Confirmed existence of sales

- Obtained and reviewed on sample basis copies of way bills acknowledged by the customers
- Reviewed sales returns after year end.

#### Borrowings

The group's operations are majorly financed by facilities from banks leaving the group with high gearing ratio. Our review indicated that the group was unable to meet up with the repayment plan during the year which resulted in the withdrawal of financial support by the banks. There is therefore, the risk that the future operations of the group may be threatened due to the withdrawal of support by the banks.

#### Response

Our audit procedures included, among others the following:

##### - Discussed borrowing facilities with management

Discussed the reliance of the client on its current loans and overdraft balances.

- Determined when facilities become due for renewal;
- Determined if the bank has refused to provide financing for operations;
- Assessed the likelihood of the bank's continued support;
- Ensured that facilities covenants have not been breached.

Where a covenant waiver has been obtained, agreed to correspondences with the lender.



#### - Reviewed cash flow forecasts/budgets and other available information

- Reviewed the cash flow forecasts, budgets and other information available, and applying skepticism, assessed whether there is any doubt about the going concern basis.
- Established whether the assumptions used in the forecasts were appropriate by examining other books, contracts, etc, and considered how sensitive the information is to changes in assumptions.
- Considered if the length of the forecast period is at least as long as required by generally accepted accounting principles.
- Considered the reasonableness of management's plans for overcoming the adverse effects of any conditions or events raising doubt about going concern.

#### Responsibilities of the Directors for the consolidated and separate 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 issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, 2020 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate 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 group'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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's and Directors' statements, but does not include the consolidated and separate financial statements and our auditors' 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 during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

#### Auditors' responsibilities for the Audit of the consolidated and separate 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 a 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

\* Identify 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.



\* Obtain 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 Group and Company's internal control.

\* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

\* Conclude on the appropriateness of directors' 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 Group and 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

\* Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### Report on other legal and regulatory requirements

The Companies and Allied Matters Act, 2020 requires that in carrying out our audit we consider and report to you on the following matters. 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) in our opinion, proper books of account have been kept by the Company and its subsidiaries.
- iii) the Company and subsidiaries' statements of financial position, and statements of profit or loss and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria  
29 August 2022

Olugbemiga A. Akibayo  
FRC/2013/ICAN/0000001076  
For: BDO Professional Services  
Chartered Accountants



**CONSOLIDATED AND SEPARATE STATEMENT  
&  
FINANCIAL STATEMENT**



**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	GROUP		COMPANY	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
Revenue	7	9,680,395	4,814,500	3,053,669	1,387,382
Cost of sales	8	<u>(7,850,592)</u>	<u>(4,015,039)</u>	<u>(2,595,514)</u>	<u>(1,348,897)</u>
<b>Gross profit</b>		<b>1,829,803</b>	<b>799,461</b>	<b>458,155</b>	<b>38,485</b>
Other operating income	9	1,788,441	313,005	1,793,960	287,079
Selling and distribution expenses	10	(76,842)	(45,785)	-	-
Administrative expenses	11	<u>(1,050,631)</u>	<u>(2,994,497)</u>	<u>(505,514)</u>	<u>(2,605,408)</u>
<b>Profit/(loss) from operating activities</b>		<b><u>2,490,771</u></b>	<b><u>(1,927,816)</u></b>	<b><u>1,746,601</u></b>	<b><u>(2,279,844)</u></b>
Net finance costs	12	<u>(1,334,835)</u>	<u>(1,654,671)</u>	<u>(1,210,296)</u>	<u>(1,458,799)</u>
<b>Profit/(loss) before taxation</b>	13	<b>1,155,936</b>	<b>(3,582,487)</b>	<b>536,305</b>	<b>(3,738,643)</b>
Taxation	14(a)	(273,721)	(231,556)	(71,146)	(119,707)
<b>Profit/(loss) for the year</b>		<b><u>882,215</u></b>	<b><u>(3,814,043)</u></b>	<b><u>465,159</u></b>	<b><u>(3,858,350)</u></b>
<b>Other comprehensive income:</b>					
<b>Items that will be reclassified to profit or loss</b>					
Revaluation surplus	27.1	<u>2,326,434</u>	-	<u>2,326,434</u>	-
<b>Total comprehensive profit/(loss) for the year</b>		<b><u>3,208,649</u></b>	<b><u>(3,814,043)</u></b>	<b><u>2,791,593</u></b>	<b><u>(3,858,350)</u></b>
<b>Profit/(loss) for the year attributable to:</b>					
Owners of the parent		814,688	(3,813,562)	465,159	(3,858,350)
Non-controlling interest	28(a)	<u>67,527</u>	<u>(481)</u>	-	-
<b>Profit/(loss) for the year</b>		<b><u>882,215</u></b>	<b><u>(3,814,043)</u></b>	<b><u>465,159</u></b>	<b><u>(3,858,350)</u></b>
<b>Total comprehensive profit/(loss) attributable to:</b>					
Owners of the parent		3,141,122	(3,813,562)	2,791,593	(3,858,350)
Non-controlling interest	28(a)	<u>67,527</u>	<u>(481)</u>	-	-
<b>Total comprehensive profit/(loss) for the year</b>		<b><u>3,208,649</u></b>	<b><u>(3,814,043)</u></b>	<b><u>2,791,593</u></b>	<b><u>(3,858,350)</u></b>
Basic earnings per share (kobo)	29	113	(528)	64	(534)
Diluted earnings per share (kobo)	29	113	(528)	64	(534)

The accompanying notes on pages 10 to 43 and other national disclosures on pages 44 to 46 form an integral part of these financial statements.

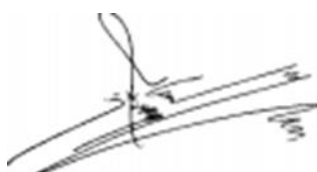
Auditors' report, pages 1 to 4

## HELLARAMS PLC AND ITS SUBSIDIARY COMPANIES

### CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2022

	Notes	2022 N'000	GROUP 2021 N'000	2022 N'000	COMPANY 2021 N'000
<b>Non-current assets</b>					
Property, plant and equipment	15	7,119,763	4,620,293	6,765,547	4,247,747
Intangible assets	16	-	-	-	-
Investment property	17	-	-	-	-
Investment in subsidiaries	18	-	-	80,277	80,277
Investments in associate	18(d)	-	-	-	-
Financial assets at amortised cost	19	-	-	148,019	148,019
<b>Total Non-Current Assets</b>		<b>7,119,763</b>	<b>4,620,293</b>	<b>6,993,843</b>	<b>4,476,043</b>
<b>Current assets</b>					
Inventory	20	1,377,545	806,190	169,419	70,059
Trade and other receivables	21(a)	2,238,116	931,994	2,077,077	326,409
Cash and cash equivalents	22	388,559	215,890	86,061	70,157
		<b>4,004,220</b>	<b>1,954,074</b>	<b>2,332,557</b>	<b>466,625</b>
<b>Current liabilities</b>					
Short term borrowings	23(a)	7,815,553	8,457,530	7,307,506	7,514,215
Trade and other payables	24	3,084,006	3,363,088	1,613,970	1,979,810
Taxation	14(b)	249,060	153,659	83,102	132,703
		<b>11,148,619</b>	<b>11,974,277</b>	<b>9,004,578</b>	<b>9,626,728</b>
<b>Net current liabilities</b>		<b>(7,144,399)</b>	<b>(10,020,203)</b>	<b>(6,672,020)</b>	<b>(9,160,103)</b>
<b>Total assets less current liabilities</b>		<b>(24,637)</b>	<b>(5,399,910)</b>	<b>321,822</b>	<b>(4,684,060)</b>
<b>Non-current liabilities</b>					
Long term borrowings	23(b)	1,962,416	89,993	1,955,796	-
Subordinated/ promoter's loan	23(c)	1,310,791	1,310,791	1,310,791	1,310,791
Deferred taxation	14(d)	511,600	216,487	348,714	90,221
Net employee defined benefits	25(b)	4,716	5,627	-	-
		<b>3,789,523</b>	<b>1,622,899</b>	<b>3,615,301</b>	<b>1,401,012</b>
<b>Net liabilities</b>		<b>(3,814,160)</b>	<b>(7,022,809)</b>	<b>(3,293,479)</b>	<b>(6,085,072)</b>
<b>Equity</b>					
Share capital	26	361,463	361,463	361,463	361,463
Revaluation reserve	27	6,409,404	4,082,970	6,409,404	4,082,970
Revenue reserve	28	(10,085,824)	(10,900,512)	(10,064,346)	(10,529,505)
		<b>(3,314,957)</b>	<b>(6,456,079)</b>	<b>(3,293,479)</b>	<b>(6,085,072)</b>
Non controlling interest	28(a)	(499,203)	(566,730)	-	-
<b>Total equity</b>		<b>(3,814,160)</b>	<b>(7,022,809)</b>	<b>(3,293,479)</b>	<b>(6,085,072)</b>

The financial statements and notes to the financial statements were approved by the Board of directors on 28 July 2022 and signed on its behalf by:



**Asiwaju Dr. S. K. Onafowokan, OON**  
Chairman  
FRC /2013/IODN/00000005337



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



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

The accompanying notes on pages 10 to 43 and other national disclosures on pages 44 to 46 form an integral part of these financial statements.

Auditors' report, pages 1 to 4



CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Revaluation Reserve	Revenue Reserve	Non-controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000
Balance at 1 April 2021	<u>361,463</u>	<u>4,082,970</u>	<u>(10,900,512)</u>	<u>(566,730)</u>	<u>(7,022,809)</u>
<b>Comprehensive Income for the year</b>					
Profit for the year	-	-	814,688	67,527	882,215
Other comprehensive income					
Revaluation surplus	-	2,326,434	-	-	2,326,434
<b>Total comprehensive loss for the year</b>	<u>-</u>	<u>2,326,434</u>	<u>814,688</u>	<u>67,527</u>	<u>3,208,649</u>
Balance at 31 March 2022	<u>361,463</u>	<u>6,409,404</u>	<u>(10,085,824)</u>	<u>(499,203)</u>	<u>(3,814,160)</u>
	N'000	N'000	N'000	N'000	N'000
Balance at 1 April 2020	<u>361,463</u>	<u>4,082,970</u>	<u>(7,086,950)</u>	<u>(566,249)</u>	<u>(3,208,766)</u>
<b>Comprehensive Income for the year</b>					
Loss for the year	-	-	(3,813,562)	(481)	(3,814,043)
Other comprehensive income					
Revaluation surplus	-	-	(3,813,562)	(481)	(3,814,043)
<b>Total comprehensive loss for the year</b>	<u>-</u>	<u>-</u>	<u>(3,813,562)</u>	<u>(481)</u>	<u>(3,814,043)</u>
Balance at 31 March 2021	<u>361,463</u>	<u>4,082,970</u>	<u>(10,900,512)</u>	<u>(566,730)</u>	<u>(7,022,809)</u>

The accompanying notes on pages 10 to 43 and other national disclosures on pages 44 to 46 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital N'000	Revaluation Reserve	Retained earnings N'000	Total equity N'000
Balance at 1 April 2021	361,463	4,082,970	(10,529,505)	(6,085,072)
<b><i>Comprehensive Income for the year</i></b>				
Profit for the year	-	-	465,159	465,159
<i>Other comprehensive income</i>				
Revaluation surplus		2,326,434	-	2,326,434
<b>Total comprehensive loss for the year</b>	-	2,326,434	465,159	2,791,593
Balance at 31 March 2022	361,463	6,409,404	(10,064,346)	(3,293,479)
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at 1 April 2020	361,463	4,082,970	(6,671,155)	(2,226,722)
<b><i>Comprehensive Income for the year</i></b>				
Loss for the year	-	-	(3,858,350)	(3,858,350)
<i>Other comprehensive income</i>	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	(3,858,350)	(3,858,350)
Balance at 31 March 2021	361,463	4,082,970	(10,529,505)	(6,085,072)

The accompanying notes on pages 10 to 43 and other national disclosures on pages 44 to 46 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	GROUP		COMPANY	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
<b>Cash flows from operating activities</b>					
Profit/(loss) for the year		882,215	(3,814,043)	465,159	(3,858,350)
<b>Adjustments for:</b>					
Gain on disposal of property, plant and equipment	9	(4,656)	(24,749)	(1,276)	(20,029)
Net finance charges	12	1,334,835	1,654,671	1,210,296	1,458,799
Income tax expense	14	273,721	231,556	71,146	119,707
Depreciation of property, plant and equipment	15	155,725	167,289	68,161	74,874
Adjustment - accumulated depreciation	15	-	90	-	90
		<u>2,641,840</u>	<u>(1,785,186)</u>	<u>1,813,486</u>	<u>(2,224,909)</u>
Increase in inventory	20	(571,355)	(306,421)	(99,360)	(24,708)
(increase)/Decrease in trade and other receivables	21(a)	(1,306,122)	2,254,695	(1,750,669)	2,315,019
(Decrease)/increase in trade and other payables	24	(279,082)	259,421	(365,840)	(21,376)
Increase in employee benefits	25(b)	(911)	(29,188)	-	(26,960)
<b>Cash generated by operations</b>		<u>484,370</u>	<u>393,321</u>	<u>(402,383)</u>	<u>17,066</u>
Tax paid	14(b)	(141,700)	(64,641)	(120,747)	-
<b>Net cash inflow/(outflow) from operating activities</b>		<u>342,670</u>	<u>328,680</u>	<u>(523,130)</u>	<u>17,066</u>
<b>Cash flows from investing activities</b>					
Additions to property, plant and equipment	15	(70,434)	(38,139)	(1,035)	(12,258)
Proceeds from disposal of Investment property	17	-	900,000	-	900,000
Proceeds from disposal of property, plant and equipment		4,822	24,897	1,277	20,096
<b>Net cash (outflow)/inflow from investing activities</b>		<u>(65,612)</u>	<u>886,758</u>	<u>242</u>	<u>907,838</u>
<b>Cash flows from financing activities</b>					
Term loans	23	(1,134,699)	(230,514)	(1,016,827)	(225,798)
Additional loan received	23(b)	1,955,796	54,990	1,955,796	-
Long term loan repaid	23(b)	(83,373)	(412,427)	-	(292,000)
Finance charges	12	(1,334,835)	(1,654,671)	(1,210,296)	(1,458,799)
<b>Net cash outflow from financing activities</b>		<u>(597,111)</u>	<u>(2,242,622)</u>	<u>(271,327)</u>	<u>(1,976,597)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(320,053)</u>	<u>(1,027,185)</u>	<u>(794,214)</u>	<u>(1,051,693)</u>
Cash and cash equivalents at the beginning of the year		<u>(6,607,970)</u>	<u>(5,580,785)</u>	<u>(6,427,231)</u>	<u>(5,375,538)</u>
Cash and cash equivalents at the end of the year		<u>(6,928,023)</u>	<u>(6,607,970)</u>	<u>(7,221,445)</u>	<u>(6,427,231)</u>
<b>Cash and cash equivalents comprise:</b>					
Cash at Bank and in hand	22	388,559	215,890	86,061	70,157
Bank overdraft	23(a)	(7,316,582)	(6,823,860)	(7,307,506)	(6,497,388)
Cash and cash equivalents at the end of the year		<u>(6,928,023)</u>	<u>(6,607,970)</u>	<u>(7,221,445)</u>	<u>(6,427,231)</u>

The accompanying notes on pages 10 to 43 and other national disclosures on pages 44 to 46 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

**HELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

**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 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 28 July 2022.

**(b) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following:

Financial instruments, land and building and investment properties 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's 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 2021**

New standards effective for adoption in the annual financial statements for the year ended 31 March 2022 but had no significant effect or impact on the Group are:

Standard/Interpretation		Date Issued by IASB	Effective date periods beginning
IFRS 16	COVID-19 Related Rent Concessions	28 May 2020	1 June 2020
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform	27 August 2020	1 January 2021

**(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 2022. They have not been adopted in preparing the financial statements for the year ended 31 March 2022.

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.

At the date of authorisation of the financial statements of the Group for the year ended 31 March 2022, the following standards and interpretations were in issue but not yet effective:

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

**3(b) New standards, interpretations and amendments issued not yet effective (Continued)**

Standard/Interpretation		Date issued by IASB	Effective date periods beginning on or after
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	14 May 2020	1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	14 May 2020	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	14 May 2020	1 January 2022
IFRS 3	Reference to the Conceptual Framework	14 May 2020	1 January 2022
IAS 1	Classification of Liabilities as Current or Non-current	23 January 2020	1 January 2023
IFRS 17	Insurance Contracts	June 2020	1 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	12 February 2021	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)	12 February 2021	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12)	7 May 2021	1 January 2023

\*All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the Entity).

**4) 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.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

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's 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's 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).

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Allocating amounts to performance obligations (Contd)**

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).



**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

**g) Income tax expenses**

Income tax expense comprises current income tax, education tax and deferred tax. (See policy 'w' 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.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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
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**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 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.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

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)

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

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

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**(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 is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

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.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

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.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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 determining 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.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

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	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Trade receivables	476,637	514,833	63,984	9,431
Cash and cash equivalents	388,559	215,890	86,061	70,157
	<b>865,196</b>	<b>730,723</b>	<b>150,045</b>	<b>79,588</b>

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:

As at 31 March 2022

	Book value N'000	Contractual cashflow N'000	One year or less N'000	1-5 years N'000
Borrowings	11,088,760	-	7,815,553	3,273,207
Trade and other payables	3,084,006	-	3,084,006	-
	<b>14,172,766</b>	<b>-</b>	<b>10,899,559</b>	<b>3,273,207</b>

As at 31 March 2021

	Book value	Contractual cashflow	One year or less	1-5 years
Borrowings	9,858,314	-	8,457,530	1,400,784
Trade and other payables	3,363,088	-	3,363,088	-
	<b>13,221,402</b>	<b>-</b>	<b>11,820,618</b>	<b>1,400,784</b>

**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.



**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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:

As at 31 March 2022	Effective interest rate	one year or less	1-5 years	Total
Cash and cash equivalents	-	388,559	-	388,559
Borrowings	-	(7,815,553)	-	(7,815,553)
	-	(7,426,994)	-	(7,426,994)

As at 31 March 2021	Effective interest rate	one year or less	1-5 years	Total
Cash and cash equivalents	-	215,890	-	215,890
Borrowings	-	(8,457,530)	-	(8,457,530)
	-	(8,241,640)	-	(8,241,640)

**Fair Value**

- (ii) 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 2021 and at 31 March 2020 were as follows:

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Trade and other payables	3,084,006	3,363,088	1,613,970	1,979,810
Borrowings	11,088,760	9,858,314	10,574,093	8,825,006
Less: cash and cash equivalents	(388,559)	(215,890)	(86,061)	(70,157)
Net debt	13,784,207	13,005,512	12,102,002	10,734,659
Total equity	(3,814,160)	(7,022,809)	(3,293,479)	(6,085,072)
Debt to adjusted capital ratio	(4)	(2)	(4)	(2)

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

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:

7 Revenue	GROUP		COMPANY	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
FMCG	104,462	54,374	-	-
Industrial chemicals	3,053,669	1,387,382	3,053,669	1,387,382
Machinery	1,624,202	753,559	-	-
Plastic film	4,898,062	2,619,185	-	-
	<u>9,680,395</u>	<u>4,814,500</u>	<u>3,053,669</u>	<u>1,387,382</u>

**(a) 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.

**(b) Geographical Segmental Revenue and Operating results for the year ended 31 March 2022-Group**

	Kaduna N'000	Kano N'000	Port Harcourt N'000	Onitsha N'000	Lagos/Head Office N'000	Total N'000
Segmental Revenue	-	-	-	-	9,680,395	9,680,395
Cost of Sales	-	-	-	-	(7,850,592)	(7,850,592)
<b>Gross Profit</b>	-	-	-	-	1,829,803	1,829,803
Selling and Distribution Expenses	-	-	-	-	(76,842)	(76,842)
Administrative Expenses	(1,560)	(787)	(3,217)	(101)	(1,044,967)	(1,050,631)
Other Operating Income	-	-	-	-	1,810,466	1,788,441
<b>Loss from Operating Activities</b>	<b>(1,560)</b>	<b>(787)</b>	<b>(3,217)</b>	<b>(101)</b>	<b>2,518,460</b>	<b>2,490,771</b>
Finance Expenses	-	-	-	-	(1,334,835)	(1,334,835)
<b>Profit before Tax</b>	<b>(1,560)</b>	<b>(787)</b>	<b>(3,217)</b>	<b>(101)</b>	<b>1,183,625</b>	<b>1,155,936</b>

**(c) Business line Segmental Revenue and Operating results for the year ended 31 March 2022-Group**

	Industrial Chemical	FMCG	Others	PU	Plastic film	Machinery	Head Office	Total
Segmental Revenue	405,147	104,462	7,735	1,001,149	6,537,700	1,624,202	-	9,680,395
Cost of Sales	(1,083,729)	(113,311)	-	(872,147)	(5,670,614)	(110,791)	-	(7,850,592)
<b>Gross profit</b>	<b>(678,582)</b>	<b>(8,849)</b>	<b>7,735</b>	<b>129,002</b>	<b>867,086</b>	<b>1,513,411</b>	<b>-</b>	<b>1,829,803</b>
Selling and Distribution Expenses	-	-	-	-	(40,141)	(36,701)	-	(76,842)
Administrative Expenses	-	(78,650)	-	-	(196,071)	(270,396)	(505,515)	(1,050,631)
Other Operating Income	-	14,531	-	-	1,901	73	1,793,961	1,788,441
<b>Profit from Operating Activities</b>	<b>(678,582)</b>	<b>(72,968)</b>	<b>7,735</b>	<b>129,002</b>	<b>632,775</b>	<b>1,206,387</b>	<b>1,288,446</b>	<b>2,490,771</b>
Finance Expenses	-	(153)	-	-	(102,082)	(22,304)	(1,210,296)	(1,334,835)
<b>Profit before Tax</b>	<b>(678,582)</b>	<b>(73,121)</b>	<b>7,735</b>	<b>129,002</b>	<b>530,693</b>	<b>1,184,083</b>	<b>78,150</b>	<b>1,155,936</b>

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**(d) Geographical Segmental Revenue and Operating result for the year ended 31 March 2022-Company**

	Kaduna N'000	Kano N'000	Port Harcourt N'000	Onitsha N'000	Lagos/Head Office N'000	Total N'000
Segmental Revenue	-	-	-	-	3,053,669	3,053,669
Cost of Sales	-	-	-	-	(2,595,514)	(2,595,514)
<b>Gross profit</b>	-	-	-	-	458,155	458,155
Administrative Expenses	(1,500)	(787)	(3,217)	(101)	(499,909)	(505,514)
Other Operating Income	-	-	-	-	1,793,962	1,793,960
<b>(Loss)/profit from Operating Activities</b>	<b>(1,500)</b>	<b>(787)</b>	<b>(3,217)</b>	<b>(101)</b>	<b>1,752,208</b>	<b>1,746,601</b>
Finance costs	-	-	-	-	(1,210,296)	(1,210,296)
<b>(Loss)/profit before Tax</b>	<b>(1,500)</b>	<b>(787)</b>	<b>(3,217)</b>	<b>(101)</b>	<b>541,912</b>	<b>536,305</b>

**(e) Business line Segmental Revenue and Operating results for the year ended 31 March 2022-Company**

	Industrial Chemicals N'000	N'000	Other N'000	PU N'000	Head Office N'000	Total N'000
Segmental Revenue	2,044,786	-	7,735	1,001,148	-	3,053,669
Cost of Sales	(1,723,367)	-	-	(872,147)	-	(2,595,514)
<b>Gross loss</b>	<b>321,419</b>	<b>-</b>	<b>7,735</b>	<b>129,001</b>	<b>-</b>	<b>458,155</b>
Administrative Expenses	-	-	-	-	(505,514)	(505,514)
Other Operating Income	-	-	-	-	1,793,962	1,793,960
<b>Profit from Operating Activities</b>	<b>321,419</b>	<b>-</b>	<b>7,735</b>	<b>129,001</b>	<b>1,288,448</b>	<b>1,746,601</b>
Finance Expenses	-	-	-	-	(1,210,296)	(1,210,296)
<b>Profit/(loss) before Tax</b>	<b>321,419</b>	<b>-</b>	<b>7,735</b>	<b>129,001</b>	<b>78,152</b>	<b>536,305</b>

**(f) Geographical Segmental Revenue and Operating results for the year ended 31 March 2021-Group**

	Kaduna N'000	Kano N'000	Port Harcourt N'000	Onitsha N'000	Lagos/Head Office N'000	Total N'000
Segmental Revenue	-	-	-	-	4,814,500	4,814,500
Cost of Sales	-	-	-	-	(4,015,039)	(4,015,039)
<b>Gross Profit</b>	-	-	-	-	799,461	799,461
Selling and Distribution Expenses	-	-	-	-	(45,785)	(45,785)
Administrative Expenses	(2,600)	(2,397)	(5,040)	(3,432)	(2,981,028)	(2,994,497)
Other Operating Income	-	-	-	-	313,005	313,005
<b>Loss from Operating Activities</b>	<b>(2,600)</b>	<b>(2,397)</b>	<b>(5,040)</b>	<b>(3,432)</b>	<b>(1,914,347)</b>	<b>(1,927,816)</b>
Finance Expenses	(6)	-	(3)	(7)	(1,654,655)	(1,654,671)
<b>Loss before Tax</b>	<b>(2,606)</b>	<b>(2,397)</b>	<b>(5,043)</b>	<b>(3,439)</b>	<b>(3,569,002)</b>	<b>(3,582,486)</b>

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

(g) Business line Segmental Revenue and Operating results for the year ended 31 March 2021-Group

	Industrial							
	Chemical	FMCG	Other	PU	Plastic film	Machinery	Head Office	Total
Segmental Revenue	343,917	54,374	4,902	1,038,563	2,619,185	753,559	-	4,814,500
Cost of Sales	(264,434)	(88,861)	(4,700)	(1,079,763)	(2,146,214)	(431,067)	-	(4,015,039)
<b>Gross Profit</b>	<b>79,483</b>	<b>(34,487)</b>	<b>202</b>	<b>(41,200)</b>	<b>472,971</b>	<b>322,492</b>	<b>-</b>	<b>799,461</b>
Selling and Distribution Expenses	-	(1,075)	-	-	(18,874)	(25,836)	-	(45,785)
Administrative Expenses	-	(43,449)	-	-	(117,436)	(229,403)	(2,604,209)	(2,994,497)
Other Operating Income	-	22,027	-	-	463	3,439	287,076	313,005
<b>Loss from Operating Activities</b>	<b>79,483</b>	<b>(56,984)</b>	<b>202</b>	<b>(41,200)</b>	<b>337,124</b>	<b>70,692</b>	<b>(2,317,133)</b>	<b>(1,927,816)</b>
Finance expenses	-	(420)	-	-	(174,677)	(24,388)	(1,455,186)	(1,654,671)
<b>Results before tax</b>	<b>79,483</b>	<b>(57,404)</b>	<b>202</b>	<b>(41,200)</b>	<b>162,447</b>	<b>46,304</b>	<b>(3,772,319)</b>	<b>(3,582,487)</b>

(h) Geographical Segmental Revenue and Operating results for the year ended 31 March 2021-Company

	Kaduna	Kano	Port Harcourt	Onitsha	Lagos/Head Office	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Segmental Revenue	-	-	-	-	1,387,382	1,387,382
Cost of Sales	-	-	-	-	(1,348,897)	(1,348,897)
<b>Gross loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,485</b>	<b>38,485</b>
Selling and Distribution Expenses	-	-	-	-	-	-
Administrative Expenses	(2,600)	(2,397)	(5,040)	(3,432)	(2,591,939)	(2,605,408)
Other Operating Income	-	-	-	-	287,079	287,079
<b>Loss from Operating Activities</b>	<b>(2,600)</b>	<b>(2,397)</b>	<b>(5,040)</b>	<b>(3,432)</b>	<b>(2,266,375)</b>	<b>(2,279,844)</b>
Finance Costs	(6)	-	(3)	(7)	(1,458,783)	(1,458,799)
<b>Results before Tax</b>	<b>(2,606)</b>	<b>(2,397)</b>	<b>(5,043)</b>	<b>(3,439)</b>	<b>(3,725,158)</b>	<b>(3,738,643)</b>

(i) Business line Segmental Revenue and Operating results for the year ended 31 March 2021-Company

	Industrial					
	Chemicals	FMCG	Other	PU	Head Office	Total
Segmental Revenue	343,917	-	4,902	1,038,563	-	1,387,382
Cost of Sales	(264,434)	-	(4,700)	(1,079,763)	-	(1,348,897)
<b>Gross loss</b>	<b>79,483</b>	<b>-</b>	<b>202</b>	<b>(41,200)</b>	<b>-</b>	<b>38,485</b>
Selling and Distribution Expenses	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	(2,605,408)	(2,605,408)
Other Operating Income	-	-	-	-	287,079	287,079
<b>Loss from Operating Activities</b>	<b>79,483</b>	<b>-</b>	<b>202</b>	<b>(41,200)</b>	<b>(2,318,329)</b>	<b>(2,279,844)</b>
Finance Expenses	-	-	-	-	(1,458,799)	(1,458,799)
Fair value loss on investment property	-	-	-	-	-	-
<b>Results before Tax</b>	<b>79,483</b>	<b>-</b>	<b>202</b>	<b>(41,200)</b>	<b>(3,777,128)</b>	<b>(3,738,643)</b>

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

	GROUP		COMPANY	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
<b>8 Cost of sales</b>				
Opening inventory	806,190	499,769	70,059	45,351
Purchases	8,421,947	4,321,460	2,694,874	1,373,605
	9,228,137	4,821,229	2,764,933	1,418,956
Closing inventory (Note 20)	(1,377,545)	(806,190)	(169,419)	(70,059)
	7,850,592	4,015,039	2,595,514	1,348,897
<b>9 Other operating income</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Profit on disposal of property, plant and equipment	4,656	24,749	1,276	20,029
Rental income	281,899	213,885	281,899	213,885
Management fees	18,000	18,000	18,000	18,000
Insurance income	5,118	8,944	2,649	3,089
Sundry income	91,267	44,978	81,637	29,627
Purchase discount	-	2,449	-	2,449
Bad debt recovered	106	-	106	-
Provision no longer required on receivables	-	-	-	-
- subsidiary (21f)	-	-	22,023	-
- associate (21g)	1,386,370	-	1,386,370	-
- other receivables	925	-	-	-
Exchange gain	99	-	-	-
Interest received	1	-	-	-
	1,788,441	313,005	1,793,960	287,079
<b>10 Selling and distribution expenses</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Sales expenses	64,660	44,753	-	-
Miscellaneous selling expenses	7,735	16	-	-
Advertising and sales promotion	4,447	1,016	-	-
	76,842	45,785	-	-
<b>11 Administrative expenses</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Depreciation of property, plant and equipment	80,858	73,632	68,161	74,874
Repairs and maintenance	42,055	42,166	30,887	13,711
Salaries and wages	293,136	308,871	99,523	131,051
Legal and professional fees	24,241	28,539	10,141	9,595
Audit fees	11,800	10,030	7,000	6,000
Travelling expenses	52,719	32,325	20,332	17,629
Rent, rates and utilities	28,892	27,635	5,514	6,405
Warehouse rent	13	8,548	13	416
Gas and electricity expenses	84,330	63,717	72,123	53,529
Insurance	23,836	22,820	10,056	8,337
Bank charges	19,871	3,884	19,871	274
Vehicles expenses	6,526	4,748	3,309	-
Communication, printing and stationery	23,203	8,375	4,500	4,080
Directors' emoluments	4,600	8,975	-	2,350
Consultancy	83,438	7,025	39,191	-
Donations and subscriptions	14,227	4,785	6,065	1,386
Medical and staff welfare	43,674	30,774	-	-
Impairment charge (Note 11 (a))	5,338	2,192,659	5,338	2,191,147
Exchange loss	69,544	-	-	-
Security expenses	10,331	16,787	7,417	10,670
Fines and Penalties	607	-	76	-
License and permit	7,475	-	2,504	-
Immigration expenses	22,932	15,432	10,016	2,727
Back Duty - VAT	-	727	-	-
Back Duty - WHT	-	4,056	-	4,056
Sanitation/Cleaning Expenses	5,688	-	5,658	-
Fuel expenses	60,299	25,069	59,518	23,171
Annual general meeting expenses	-	5,057	-	5,057
Others	30,998	47,861	18,301	38,943
	1,050,631	2,994,497	505,514	2,605,408

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

(a) Impairment charges	N'000	N'000	N'000	N'000
Trade receivables (note 21(c))	-	8,102	-	1,782
Receivable from subsidiary Company (Note 21 (f))	-	-	-	4,808
Receivable from associate Companies (Note 21 (g))	-	1,969,268	-	1,969,268
Other receivables (Note 21(h))	5,338	215,289	5,338	215,289
	<u>5,338</u>	<u>2,192,659</u>	<u>5,338</u>	<u>2,191,147</u>
<b>12 Finance income and costs</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
(i) Finance income	<u>136,905</u>	<u>3</u>	<u>136,905</u>	<u>-</u>
(ii) Finance costs:				
Interest on bank term loans and facilities	1,471,740	1,654,674	1,347,201	1,458,799
Net finance costs	<u>1,334,835</u>	<u>1,654,671</u>	<u>1,210,296</u>	<u>1,458,799</u>
<b>13 Prpfot/(loss) before taxation is arrived at after chargin</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Depreciation of property, plant and equipment	155,725	167,289	68,161	74,874
Auditors' remuneration	11,800	10,030	7,000	6,000
Directors' remuneration and fees	4,600	8,975	-	2,350
Interest on loans and overdrafts	<u>1,334,835</u>	<u>1,654,671</u>	<u>1,210,296</u>	<u>1,458,799</u>
<b>14 Tax expense</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
(a) <b>Per profit and loss account</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Income tax payable on results for the year:				
Income tax	157,876	25,277	12,119	4,136
Education tax	20,141	5,843	-	-
Underprovision in prior years:	59,084			
Income tax	-	109,022	59,027	109,022
Education tax	-	6,549	-	6,549
Capital gain tax	-	-	-	-
	<u>237,101</u>	<u>146,691</u>	<u>71,146</u>	<u>119,707</u>
Deferred tax	36,620	84,865	-	-
	<u>273,721</u>	<u>231,556</u>	<u>71,146</u>	<u>119,707</u>
(b) <b>Per statement of financial position</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Balance at 1 April</b>				
Income tax	153,659	64,329	132,703	11,356
Education tax	-	7,280	-	1,640
Capital gain tax	-	-	-	-
	<u>153,659</u>	<u>71,609</u>	<u>132,703</u>	<u>12,996</u>
<b>Payments during the year:</b>				
Income tax	(141,700)	(64,641)	(120,747)	-
Education tax	-	-	-	-
Capital gain tax	-	-	-	-
<b>Provision for the year:</b>				
Income tax	157,876	25,277	12,119	4,136
Education tax	20,141	5,843	-	-
Capital gain tax	-	-	-	-
<b>Underprovision in prior years:</b>				
Income tax	59,084	109,022	59,027	109,022
Education tax	-	6,549	-	6,549
<b>Balance at 31 March</b>	<u>249,060</u>	<u>153,659</u>	<u>83,102</u>	<u>132,703</u>

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**(c) 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:

	<b>N'000</b>	<b>N'000</b>
<b>Loss before tax</b>	<u>536,305</u>	<u>(3,738,643)</u>
Tax at the statutory corporation tax rate of 30%	-	(1,121,593)
Effect of income that is exempt from taxation	-	226,297
Effect of expenses that are not deductible in determining taxable profit	-	651,107
Loss unrelieved	-	262,095
Education tax at 2.5% of assessable profit(2020:2%)	-	-
Balancing charge	-	(4,910)
Deferred tax provision	-	-
Minimum tax charged	12,119	4,136
Underprovision in prior years - income tax	59,027	109,022
Underprovision in prior years - education tax	-	6,549
Capital gain tax	-	-
Tax expense recognised in profit or loss	<u>71,146</u>	<u>132,703</u>
Effective rate	<u>13%</u>	<u>-4%</u>

The tax rate used for 2022 and 2021 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 2022. 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% of the assessable profit for the year.

**(d) Deferred taxation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Movement in deferred tax</b>				
<b>Deferred tax liabilities</b>				
At 1 April	162,353	162,353	159,701	159,701
Charge in the year recognised in profit or loss	36,620	-	-	-
Deferred tax on revaluation surplus	258,493	-	258,493	-
<b>At 31 March</b>	<u>457,466</u>	<u>162,353</u>	<u>418,194</u>	<u>159,701</u>
<b>Deferred tax assets</b>				
At 1 April	54,134	(30,731)	(69,480)	(69,480)
Charge in the year recognised in profit or loss	-	84,865	-	-
<b>At 31 March</b>	<u>54,134</u>	<u>54,134</u>	<u>(69,480)</u>	<u>(69,480)</u>
<b>Net deferred tax liabilities</b>	<u>511,600</u>	<u>216,487</u>	<u>348,714</u>	<u>90,221</u>

HELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS

15(a) Property, plant and equipment - Group

Cost/valuation	Leasehold	Buildings	Furniture,	Motor vehicles	Plant &	Office	Total
	lands		fittings & tools		machinery	equipment	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 April 2020	2,160,000	2,130,299	222,513	313,308	2,048,583	196,024	7,070,727
Additions	-	-	9,103	-	28,921	115	38,139
On disposals	-	-	-	(143,919)	(28,960)	(1,276)	(174,155)
At 31 March 2021	2,160,000	2,130,299	231,616	169,389	2,048,544	194,863	6,934,711
At 1 April 2021	2,160,000	2,130,299	231,616	169,389	2,048,544	194,863	6,934,711
Additions	-	-	2,733	23,220	40,403	4,078	70,434
Reclassification	-	-	24,745	-	(2,684)	(22,060)	1
Revaluation	594,285	1,820,218	-	-	-	-	2,414,503
On disposals	-	-	-	(10,387)	(24,887)	(349)	(35,623)
At 31 March 2022	2,754,285	3,950,517	259,094	182,222	2,061,376	176,532	9,384,026
<b>Accumulated depreciation and impairment</b>							
At 1 April 2020	-	85,212	211,124	288,185	1,559,358	177,165	2,321,045
Charge for the year	-	42,606	4,945	9,043	107,005	3,690	167,289
On disposals	-	-	-	(143,919)	(28,960)	(1,127)	(174,006)
Adjustment (Note 15(f))	-	-	-	-	-	90	90
At 31 March 2021	-	127,818	216,069	153,309	1,637,403	179,818	2,314,418
At 1 April 2021	-	127,818	216,069	153,309	1,637,403	179,818	2,314,418
Adjustment	-	-	19,895	-	(2,176)	(17,719)	-
Charge for the year	-	42,606	4,652	6,929	98,498	3,040	155,725
Revaluation	-	(170,424)	-	-	-	-	(170,424)
On disposals	-	-	-	(10,388)	(24,887)	(180)	(35,456)
At 31 March 2022	-	-	240,616	149,850	1,708,838	164,959	2,264,263
<b>Carrying amount as at</b>							
31 March 2022	2,754,285	3,950,517	18,478	32,372	352,538	11,573	7,119,763
31 March 2021	2,160,000	2,002,481	15,547	16,080	411,141	15,045	4,620,293

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

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Cost of sales	74,867	93,657	68,161	6,860
Administrative expenses	80,858	73,632	-	68,014
	155,725	167,289	68,161	74,874



HELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS

15(b) Property, plant and equipment - Company

Cost/valuation	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
At 1 April 2020	2,160,000	2,130,299	194,778	197,649	732,511	130,102	5,545,339
Additions	-	-	8,757	-	3,500	-	12,257
On disposals	-	-	-	(109,294)	(28,960)	(1,174)	(139,428)
At 31 March 2021	2,160,000	2,130,299	203,535	88,355	707,051	128,928	5,418,168
At 1 April 2021	2,160,000	2,130,299	203,535	88,355	707,051	128,928	5,418,168
Revaluation	594,285	1,820,218	-	-	-	-	2,414,503
Additions	-	-	-	-	-	1,035	1,035
On disposals	-	-	-	(3,530)	(10,687)	(92)	(14,310)
At 31 March 2022	2,754,285	3,950,517	203,535	84,825	696,364	129,871	7,819,396
<b>Accumulated depreciation and impairment</b>							
At 1 April 2020	-	85,212	185,322	197,067	640,930	126,288	1,234,819
Charge for the year	-	42,606	3,612	437	26,957	1,262	74,874
On disposals	-	-	-	(109,294)	(28,960)	(1,107)	(139,361)
Adjustment	-	-	-	-	-	90	90
At 31 March 2020	-	127,818	188,934	88,210	638,927	126,533	1,170,422
At 1 April 2021	-	127,818	188,934	88,210	638,927	126,533	1,170,422
Charge for the year	-	42,606	3,028	79	21,648	800	68,161
Revaluation	-	(170,424)	-	-	-	-	(170,424)
On disposals	-	-	-	(3,530)	(10,687)	(92)	(14,310)
At 31 March 2022	-	-	191,962	84,759	649,888	127,240	1,053,850
<b>Carrying amount as at</b>							
31 March 2022	2,754,285	3,950,517	11,573	66	46,476	2,630	6,765,547
31 March 2021	2,160,000	2,002,481	14,601	145	68,124	2,395	4,247,746

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

(c) 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.

The Company's Land and building located at plot 22 Jafaru Road, by Gaskiya Textiles, Bompai Industria Estate, Kano and the Company Land and Building located at 110/114, Oshodi Apapa Express Way, Isolo, Lagos, were revalued on 31 March 2018 by Biodun Olapade and Co. Estate Surveyors and valuers with FRC No FRC/2013/NIESV/00000004303. Open market value of the land and buildings was put at N1,260,000,000 and N2,130,299,000 respectively. The surplus arising from the revaluation was credited to the revaluation reserve.

Land and buildings of the Company were revalued on 27 January 2013 by Messrs Jide Taiwo and Co. Estate Surveyors and valuers. Open market value of the land and buildings was put at N2,637,700,000 (Land : N1,224,500,000 and building N1,413,200,000). The surplus arising from the revaluation was credited to the revaluation reserve. Subsequent additions are stated at cost. None of the Company's assets were pledged as security in the year.

**(d) Contractual commitments**

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

**(e) Assets pledged as security**

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

**(f) Adjustment**

This relates to correction of under depreciation in the books.

	GROUP			
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
<b>16 Intangible assets</b>				
<b>Cost</b>				
At 1 April 2020	26,728	26,728	26,728	26,728
At 31 March 2021	<u>26,728</u>	<u>26,728</u>	<u>26,728</u>	<u>26,728</u>
<b>Amortisation</b>				
At 1 April 2021	26,728	26,728	26,728	26,728
At 31 March 2022	<u>26,728</u>	<u>26,728</u>	<u>26,728</u>	<u>26,728</u>
<b>Carrying amount</b>				
At 31 March 2022	-	-	-	-
At 31 March 2021	-	-	-	-
<b>17 Investment property</b>	N'000	N'000	N'000	N'000
At 1 April 2021	900,000	900,000	900,000	900,000
Disposal	(900,000)	(900,000)	(900,000)	(900,000)
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS

18	Investment in related companies	GROUP		COMPANY	
		2022	2021	2022	2021
	Investment in subsidiaries	N'000	N'000	N'000	N'000
	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	-	-	(6,519)	(6,519)
		-	-	80,277	80,277
18.1	Movement in impairment allowance	N'000	N'000	N'000	N'000
	Balance brought forward	-	-	(6,519)	-
	Addition	-	-	-	(6,519)
	Balance carried forward	-	-	(6,519)	(6,519)

(a) 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	
			2022	2021
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 goods	74%	74%

Summary of financial performance, assets and liabilities

	Dynamic Industries Limited	United Technical and Allied Services Limited	Chellarams DMK LIMITED
	N'000	N'000	N'000
As at 31 March 2022			
Revenue	6,537,700	1,624,202	104,462
Cost of sales	(5,670,614)	(1,110,791)	(113,311)
Gross profit/(loss)	867,086	513,411	(8,849)
Other operating income	1,901	73	14,531
Selling and distribution expenses	(40,141)	(36,701)	-
Administrative expenses	(196,071)	(270,396)	(78,650)
Profit/(loss) from operating activities	632,775	206,387	(72,968)
Net finance costs	(102,082)	(22,304)	(153)
Profit/(loss) before taxation	530,693	184,083	(73,121)
Taxation	(142,104)	(60,174)	-
Profit/(loss) for the year	388,589	123,909	(73,121)
Profit/(Loss) allocated to NCI	86,616	-	(19,011)
Other comprehensive income allocated to NCI	-	-	-
Total comprehensive income allocated to NCI	86,616	-	(19,011)
Cash flows from operating activities	841,404	20,395	5,896
Cash flows from investing activities	(66,131)	(3,195)	1,576
Cash flows from financing activities	(195,200)	(22,304)	(153)
Net cash inflow	580,073	(5,104)	7,319
As at 31 March 2021			
Total assets	1,881,750	917,547	86,631
Total liabilities	1,568,922	210,356	2,245,971
Equity	312,828	707,191	(2,159,340)
Percentage holding	77.71%	100%	74%

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

As at 31 March 2021

	Dynamic Industries Limited N'000	United Technical and Allied Services N'000	Chellarams DMK Limited N'000
Revenue	2,619,185	753,559	54,374
Cost of sales	(2,146,214)	(431,067)	(88,861)
Gross profit/(loss)	472,971	322,492	(34,487)
Other operating income	463	3,439	22,027
Selling and distribution expenses	(18,874)	(25,836)	(1,075)
Administrative expenses	(117,436)	(229,403)	(43,449)
Profit/(loss) from operating activities	337,124	70,692	(56,984)
Net finance costs	(174,677)	(24,388)	(420)
<b>Profit/(loss) before taxation</b>	<b>162,447</b>	<b>46,304</b>	<b>(57,404)</b>
Taxation	(97,647)	(14,202)	-
<b>Profit/(Loss) for the year</b>	<b>64,800</b>	<b>32,102</b>	<b>(57,404)</b>
Loss allocated to Non Controlling Interest	14,444	7,156	(12,795)
Other comprehensive income allocated to Non Controlling Interest	-	-	-
<b>Total comprehensive income allocated to Non Controlling Interest</b>	<b>14,444</b>	<b>7,156</b>	<b>(12,795)</b>
Cash flows from operating activities	157,675	149,740	7,894
Cash flows from investing activities	(25,569)	643	3,764
Cash flows from financing activities	(230,464)	(24,388)	(420)
<b>Net cash (outflows)/inflows</b>	<b>(98,358)</b>	<b>125,995</b>	<b>11,238</b>
<b>As at 31 March 2021</b>			
Total assets	1,085,490	892,608	224,950
Total liabilities	1,161,252	309,326	2,311,167
Equity	(75,762)	583,282	(2,086,217)
Percentage of holding	77.71%	100%	74%

**(b) Loss of control over a subsidiary during the year**

The Group did not lose any control of any subsidiary during 2022 and 2021.

**(c) Interest in unconsolidated structured entities**

The Group has no interests in unconsolidated structured entities

	GROUP		COMPANY	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
<b>(d) Investment in associated companies</b>				
Chellarams 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
African Tourism Corporate Travel Limited (Note f)	-	-	-	-
	466,000	466,000	466,000	466,000
Impairment allowance for value of investment (Note 18(e))	(466,000)	(466,000)	(466,000)	(466,000)
<b>Net investment accounted for using equity method</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

	GROUP		COMPANY	
	2022	2021	2022	2021
(e) <b>Movement of impairment allowance</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance brought forward	466,000	466,000	466,000	466,000
Impairment losses for the year	-	-	-	-
	<u>466,000</u>	<u>466,000</u>	<u>466,000</u>	<u>466,000</u>

(f) At the Board of Directors meeting of the company held on 20th July 2017 it was resolved that the company's investments in African Tourism Corporate Limited comprising of N14,700,000 units of ordinary share be sold and or transferred to the Tourvest Holding (PTY) Limited in consideration of the agreed sum of N95,870,048. (Ninety Five Million, Eight Hundred and Seventy Thousand and Fourty Eight Naira).

19 <b>Financial assets at amortised cost</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
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

20 <b>Inventory</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Items in trade	521,412	750,398	169,419	70,059
Work in progress	-	4,820	-	-
Consumables	856,133	50,972	-	-
	<u>1,377,545</u>	<u>806,190</u>	<u>169,419</u>	<u>70,059</u>

a) Inventory with a value of N1,377,545,000 (2021:N806,190,000) is carried at lower of cost and net realisable value.

21(a) <b>Trade and other receivables</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Trade receivables	542,244	586,702	97,093	42,646
Allowance for doubtful debts (Note 21 (c))	(65,607)	(71,869)	(33,109)	(33,215)
Trade receivables - net	476,637	514,833	63,984	9,431
Receivables from subsidiary companies (Note 21(d))	-	-	545,738	39,151
Receivables from associated companies (Note 21(e))	1,246,898	1,211	1,246,898	1,211
<b>Total financial assets other than cash and cash equivalents classified as amortised cost</b>	<b>1,723,535</b>	<b>516,044</b>	<b>1,856,620</b>	<b>49,793</b>
Prepayments- current portion (Note 21 (i))	135,653	36,017	1,335	2,000
Other receivables (Note 21(b))	378,928	379,933	219,123	274,616
<b>Total trade and other receivables</b>	<b>2,238,116</b>	<b>931,994</b>	<b>2,077,077</b>	<b>326,409</b>

	GROUP		COMPANY	
	2022	2021	2022	2021
(b) <b>Other receivables</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Staff receivables	12,623	10,287	8,505	9,095
Advances to suppliers	20,885	23,143	3,189	7,342
Withholding tax credit note received	149,323	-	144,003	187,960
Withholding tax credit	-	253,115	-	-
Deposit for assets (Note (b(i)))	53,368	53,368	53,368	53,368
VAT Recoverable	4,536	12,488	-	-
Share application	9,072	-	9,072	-
ITF Recoverable	1,383	-	1,278	-
Sundry receivables	191,952	301,698	63,923	291,017
	<u>443,143</u>	<u>654,099</u>	<u>283,338</u>	<u>548,782</u>
Impairment allowance (Note 21 (h))	(64,215)	(274,166)	(64,215)	(274,166)
	<u>378,928</u>	<u>379,933</u>	<u>219,123</u>	<u>274,616</u>

(i) **Deposit for asset**

This represents amount deposited for the purchase of a building currently being occupied by the company as staff quarters. The agreed consideration as indicated in the contract of sale is N83 million, but the title documents have not been perfected.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

<b>(c) Movement in impairment allowance for trade receivables</b>				
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at beginning of the year	71,869	63,767	33,215	31,433
Recovered during the year	(6,262)	-	(106)	-
Provision during the year	-	8,102	-	1,782
Balance at the end of the year	65,607	71,869	33,109	33,215
<b>(d) Amount due from subsidiary Companies</b>				
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Chellarams DMK	-	-	912,163	934,186
Dynamics	-	-	545,738	39,151
Impairment allowance (Note 21 (f))	-	-	(912,163)	(934,186)
	-	-	545,738	39,151
<b>(e) Amount due from associated Companies</b>				
Chellarams Retail Limited	268,222	268,654	268,222	268,654
Chellarams Investments Limited	81,313	81,313	81,313	81,313
Chellagric Industries Limited	41,915	41,104	41,915	41,104
Chelltek Industries Limited	57,546	57,545	57,546	57,545
Devyani International (Nigeria) Ltd	1,712,121	1,755,960	1,712,121	1,755,960
Chellco Industries Limited	2,646,468	2,746,258	2,646,468	2,746,258
Isolo Power Gen. Limited	1,748,527	1,794,668	1,748,527	1,794,668
Others	51,598	2,890	51,598	2,890
	6,607,709	6,748,392	6,607,709	6,748,392
Impairment allowance (Note 21 (g))	(5,360,811)	(6,747,181)	(5,360,811)	(6,747,181)
<b>Amount due from associated companies</b>	<b>1,246,898</b>	<b>1,211</b>	<b>1,246,898</b>	<b>1,211</b>
<b>Net amount due from related companies</b>	<b>1,246,898</b>	<b>1,211</b>	<b>1,792,636</b>	<b>40,362</b>

**21(f) Movement in impairment allowance for receivables from subsidiary company**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at beginning of the year	-	-	934,186	929,378
(Recovery)/addition during the year	-	-	(22,023)	4,808
Balance at the end of the year	-	-	912,163	934,186

**21(g) Movement in impairment allowance for receivables from associated companies**

	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at beginning of the year	6,747,181	4,777,913	6,747,181	4,777,913
(Recovery)/addition during the year	(1,386,370)	1,969,268	(1,386,370)	1,969,268
Balance at the end of the year	5,360,811	6,747,181	5,360,811	6,747,181

**21(h) Movement in impairment allowance for other receivables**

	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at beginning of the year	274,166	58,877	274,166	58,877
Bad debts written-off	(215,289)	-	(215,289)	-
Provision during the year	5,338	215,289	5,338	215,289
Balance at the end of the year	64,215	274,166	64,215	274,166

**21(i) Prepayments**

	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Prepaid rent	575	5,803	186	311
Prepaid customs duty	350	350	350	350
Prepaid port and handling fee	513	-	513	-
Prepaid Marine	-	-	-	-
Prepaid withholding tax	127,417	26,061	-	-
Prepaid others	5,056	-	-	-
Prepaid general insurance	1,742	3,803	286	1,339
Prepaid NAFDAC	-	87	-	-
<b>Total prepayments</b>	<b>135,653</b>	<b>36,104</b>	<b>1,335</b>	<b>2,000</b>
Non current portion	-	-	-	-
Current portion	135,653	36,104	1,335	2,000
	135,653	36,104	1,335	2,000

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

21(j)	<i>The age analysis of trade receivables is as</i>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
	Past due < 30days	46,341	460,940	46,341	5,811
	Past due 31-60 days	465,861	29,988	20,708	3,620
	Past due 61-90 days	-	-	-	-
	Past due 91-120 days	-	24,466	-	-
	Past due 120 days and above	30,044	71,084	30,044	33,215
		<u>542,246</u>	<u>586,478</u>	<u>97,093</u>	<u>42,646</u>
22	<b>Cash and cash equivalents</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
	Cash balances	25,203	9,006	2,829	2,672
	Bank balances	363,356	206,884	83,232	67,485
		<u>388,559</u>	<u>215,890</u>	<u>86,061</u>	<u>70,157</u>
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short term investments with an original maturity of three months or less, net of outstanding bank overdrafts.					
23	<b>Borrowings</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
23(a)	<b>Short term borrowings</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
	Bank overdrafts	7,316,582	6,823,860	7,307,506	6,497,388
	Bank import finance	472,655	1,633,670	-	1,016,827
		<u>7,789,237</u>	<u>8,457,530</u>	<u>7,307,506</u>	<u>7,514,215</u>
	Long term loans due within one year	26,316	-	-	-
		<u>7,815,553</u>	<u>8,457,530</u>	<u>7,307,506</u>	<u>7,514,215</u>

The company has short term facilities with the following:

**Ecobank Plc**

**Facility type**

Overdraft

**Amount**

N378,613,454.

**Purpose**

To meet working capital needs of the Company such as payment of import duties, administrative expenses, port charges and other operational expenses.

**Security**

Negative pledge over fixed and floating assets of Chellaram Plc

**United Bank for Africa**

**Facility type**

Overdraft

**Amount**

N3,386,443,812.

**Purpose**

To augment working capital requirements including import duties, clearing expenses, staff salaries other operating expenses such as vendors payment.

**Repayment**

On demand

**First Bank of Nigeria**

**Facility type**

Overdraft

**Amount**

N744,385,548

**Purpose**

To augment working capital requirements including import duties, clearing expenses, staff salaries other operating expenses such as vendors payment.

**Repayment**

On demand

**Stanbic Chartered Bank**

**Facility type**

Overdraft facility

**Facility amount**

N2,798,063,426

**Purpose**

To augment working capital requirements including import duties, clearing expenses, staff salaries other operating expenses such as vendors payment.

**Repayment Source**

On demand

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

	GROUP		COMPANY	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
23(b) Long term borrowings				
Term loans	1,962,416	89,993	1,955,796	-
	N'000	N'000	N'000	N'000
Amount due within one year	-	-	-	-
Amount due after one year	1,962,416	89,993	1,955,796	-
<b>The movement in term loan is as follows:</b>				
Balance at the beginning of the year	89,993	447,430	-	292,000
Repayments	(83,373)	(347,787)	-	(292,000)
Additions during the year	1,955,796	54,990	1,955,796	-
	1,962,416	154,633	1,955,796	-
Amount due within one year	-	(64,640)	-	-
Amount due after one year	1,962,416	89,993	1,955,796	-

**Access Bank**

A term loan of N525,000,000 was obtained from Access Bank to refinance the Company's outstanding indebtedness into a term loan payable over 5 years at 5% per annum subject to money market conditions, which should be paid biannually in arrears. The loan repayment was restructured as detailed below:

- i) Biannual principal and interest repayment of N58.3 million and N26.3 million respectively to be paid in the first 12 months until December 2026
- ii) To spread the principal balance into 10 equal payments from July 2022 to July 2026
- iv) Any excess over the approved limit or unliquidated expired facility shall attract an interest on unauthorised excess overdraft at the rate of 12% per annum

**Union bank of Nigeria**

A term loan of N1,429,208,401 was restructured from Union Bank of Nigeria to refinance the Company's outstanding indebtedness.

	GROUP		COMPANY	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
23(c) Subordinated loan/promoter's loan				
Balance at the beginning of the year	1,310,791	1,310,791	1,310,791	1,310,791
Additions during 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 facilities until 31 March 2020.

	N'000	N'000	N'000	N'000
24 Trade and other payables				
Trade payables	1,774,703	1,626,955	722,677	692,270
Amount due to related parties (Note 24(a) )	32,712	38,971	417,227	323,077
<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<b>1,807,415</b>	<b>1,665,926</b>	<b>1,139,904</b>	<b>1,015,347</b>
<b>Due to DMK Deutsches Milchkontor Germany</b>	<b>630,641</b>	<b>630,641</b>	<b>-</b>	<b>-</b>
Other payables and accruals (Note 24(b))	645,950	1,066,521	474,066	964,463
<b>Total trade and other payables</b>	<b>3,084,006</b>	<b>3,363,088</b>	<b>1,613,970</b>	<b>1,979,810</b>



**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

24(a)	<i>Amount due to related parties</i>	N'000	N'000	N'000	N'000
	<b>Due to subsidiaries company</b>				
	UTAS Limited	-	-	384,576	284,106
	Dynamic Industries Limited	-	-	-	0
		-	-	384,576	284,106
	<b>Due to associated companies</b>	N'000	N'000	N'000	N'000
	Isolo Power Gen. Limited	61	-	-	-
	Murli T. Chellarams Foundation	32,651	35,419	32,651	35,419
	Chellarams Retail Ltd	-	-	-	-
	Others	-	3,552	-	3,552
		32,712	38,971	32,651	38,971
		32,712	38,971	417,227	323,077
		<b>GROUP</b>		<b>COMPANY</b>	
		2022	2021	2022	2021
24(b)	<i>Other payables and accruals</i>	N'000	N'000	N'000	N'000
	Advances from customers	27,615	45,654	27,615	45,654
	Rent received in advance	206,460	53,344	206,460	53,344
	Unclaimed dividend	15,065	15,065	15,065	15,065
	Accruals	6,663	645,796	-	639,531
	Staff payables	13	26,988	13	26,988
	Withholding tax payable	4,883	5,038	3,119	3,639
	VAT payable	122,665	115,224	122,665	115,224
	Sundry payables	257,844	131,308	96,142	40,609
	Tax penalty charge	-	24,409	-	24,409
	PAYE	1,755	3,695	-	-
	Pension	2,987	-	2,987	-
		645,950	1,066,521	474,066	964,463
25	Post employment benefits:	N'000	N'000	N'000	N'000
	Employee benefit obligation (Note 25(b))	4,716	5,627	-	-
	Defined contribution pension plan	2,987	-	2,987	-
		7,703	5,627	2,987	-
25(a)	<b>Employees defined benefits asset</b>				
	Defined plan asset:	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	-	-	-	-
	Benefit paid	-	-	-	-
	Withdrawal of defined benefit assets	-	-	-	-
		-	-	-	-
25(b)	<b>Employees benefits obligations:</b>	2022	2021	2022	2021
		N'000	N'000	N'000	N'000
	Balance at the beginning of the year	5,627	34,815	-	26,960
	Payments during the year	(911)	(29,188)	-	(26,960)
		4,716	5,627	-	-
	Net defined benefits liabilities	(4,716)	(5,627)	-	-
26	<b>Share Capital</b>				
	<b>Authorised Share capital</b>	N'000	N'000	N'000	N'000
	1,500,000,000 Ordinary share of N0.50 each	750,000	750,000	750,000	750,000
	<b>Issued and fully paid:</b>				
	722,926,000 ordinary shares of N0.50 each	361,463	361,463	361,463	361,463
27	<b>Revaluation reserve</b>	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	4,082,970	4,082,970	4,082,970	4,082,970
	Revaluation surplus for the year	2,326,434	-	2,326,434	-
	Balance at the year end	6,409,404	4,082,970	6,409,404	4,082,970
27.1	Further details are:	N'000	N'000	N'000	N'000
	Revaluation surplus (Note 15)	2,414,503	-	2,414,503	-
	Accumulated depreciation eliminated thereon (Note 15)	170,424	-	170,424	-
		2,584,927	-	2,584,927	-
	Deferred capital gain tax @ 10%	(258,493)	-	(258,493)	-
		2,326,434	-	2,326,434	-
28	<b>Revenue reserve</b>	N'000	N'000	N'000	N'000
	Balance at the beginning of the year:	(10,900,512)	(7,086,950)	(10,529,505)	(6,671,155)
	Loss for the year	814,688	(3,813,562)	465,159	(3,858,350)
	Balance at the year end	(10,085,824)	(10,900,512)	(10,064,346)	(10,529,505)

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

	GROUP		COMPANY	
	2022	2021	2022	2021
(a) Non controlling interest	N'000	N'000	N'000	N'000
Ordinary shares	22,450	22,449	-	-
Preference shares	32,855	32,855	-	-
Loss brought forward	(622,035)	(621,553)	-	-
Profit/(loss) for the year	67,527	(481)	-	-
	(499,203)	(566,730)	-	-

**29 Basic earnings per ordinary share**

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

	GROUP		COMPANY	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Profit/(loss) for the year attributable to shareholders	814,688	(3,813,562)	465,159	(3,858,350)
Weighted average number of ordinary share in issue	722,926	722,926	722,926	722,926
Basic earnings per share of ₦0.50k each (kobo)	113	(528)	64	(534)
Diluted earnings per share (kobo)	113	(528)	64	(534)

**30 Related Parties Disclosures**

**(a) 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:

	N'000	N'000	N'000	N'000
Due from related parties (Note 21(e))	1,246,898	1,211	1,792,636	40,362
Due to related parties (Note 24(a))	32,712	38,971	417,227	323,077

(b) 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	
			2022	2021
			N'000	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.	(39,151)	172,525
United Technical and Allied Services	Subsidiary	Transactions in the year relate to both expenses paid and income generated from subsidiary, these have been eliminated on consolidation.	386,714	125,548
Chellarams Retail Limited	Associate	Transactions in the year relate to expenses paid by the company on its behalf.	(432)	(822)
Chellagric Industries Limited	Associate	Transactions in the year relate to expenses paid by the company on its behalf.	811	(21,834)

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

Related party	Relationship	Nature of transactions	Value of goods and services supplied (by)/to the party	
			2022	2021
			N'000	N'000
Murli T. Chellarams Foundation Devyani	Associate	Charities and donation carried out on behalf of the company	(2,768)	(1,567)
International (Nigeria) Limited	Associate	Sales of goods, loans granted, interest charged and expenses paid on behalf of the associate company.	(1,640)	(4,390)
Chellco Industries Limited	Associate	Transactions in the year relate to advances, interest due from and expenses paid on behalf of the associate.	(99,790)	(314,115)
Isolo Power Generator Limited	Associate	Transactions in the year relate to both expenses paid and income generated from the associate company.	<u>(46,141)</u>	<u>156,384</u>

**(c) 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:

**(i) 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

**(ii) 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.

(iii) <u>Directors</u>	GROUP		COMPANY	
	N'000	N'000	N'000	N'000
The aggregate emoluments of the Directors were:				
Fees	600	4,600	-	-
Other emoluments	-	4,375	-	2,350
	<u>600</u>	<u>8,975</u>	<u>-</u>	<u>2,350</u>
(iv) Chairman	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Directors earned fees in the following ranges	2022	2021	2022	2021
N800,000 and Above	NUMBER	NUMBER	NUMBER	NUMBER
	5	5	5	5

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

(v) **Employees**

Staff numbers and costs:

The average number of persons employed (excluding Directors) in the Company during the year were as follows:

	NUMBER		NUMBER	
Management	21	23	11	13
Senior staff	27	27	14	11
Supervisory/junior staff	211	217	25	33
	259	267	50	57

The aggregate payroll costs of these persons were as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	274,644	408,994	93,938	126,316
Pension and social benefits	12,321	16,009	5,585	4,859
	286,965	425,003	99,523	131,175

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:

	NUMBER		NUMBER	
Less than N1,000,000	130	247	25	51
N1,000,001 - N2,000,000	97	-	-	-
N2,000,001 - N3,000,000	25	-	11	-
N3,000,001 - N4,000,000	6	2	13	2
N4,000,001 - N5,000,000	-	17	-	3
N5,000,001 and above	1	1	1	1
	259	267	50	57

31a) **Contingent liabilities**

The following guarantees were given;

To	For	2022	2021
		N'000	N'000
Access Bank	Chellco Industries Limited	-	156,555
Access Bank	Chellco Industries Limited	-	37,853
Eco Bank Plc	Isolo Power Gen. Limited	-	2,163,784
Standard chartered Pl	Devyani International Nigeria Limited	-	338,053
United Bank of Africa	United Technical and Allied Services Limited	-	47,019
Eco Bank Plc	Chellaram Retail Limited	-	1,761

All guarantees were given for the overdraft/term loan to the subsidiaries/associated companies and are in the normal course of the business.

b) **Pending litigations**

There are several ongoing legal actions against the Company arising out of its normal business operations amounting to N59.4 million (2021: N2.45 billion). 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.

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**32 Going concern**

The Company made a profit before taxation of N536.31 million (Group: profit of N1.18 billion) for the year ended 31 March 2022 (2021: Company loss of N3.7 billion, Group loss of N3.6 billion) and as at that date its current liabilities exceeded its current assets by N6.7 billion (Group - N7.1 billion) (2021: company N9.2 billion, Group - N10 billion) and had negative shareholders' funds of N3.3 billion (Group - N3.8 billion) (2021: company N6.1 billion, Group - N7 billion). The profit before tax arose mainly from write back of impairment no longer required which amounted to N1.41 billion (Group: N1.39 billion).

In addition, the mareva injunction restraining the operations of the Company's bank accounts issued by the court during 2020/2021 financial year remains unlifted.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, there is an immediate need to address the impact of the huge accumulated losses in order to return the group to a profitable position. To facilitate this, the following actions have been taken:

- i) Management has taken severe steps in right sizing of personnel, focused on all opportunities and continuous improvement on management efficiency across the group companies;
- ii) Management is focused on only high margin products due to working capital constraint as this will add more value to the Company. Efforts are also being made to let out unutilised office space/warehouse at the head office.
- iii) Procurement of foreign currencies is a major challenge, consequently, the Company has adopted local purchase and importation through its subsidiaries to meet up its sales target
- iv) As a way of mitigating the impact of mareva injunction, the Company now carries out its banking activities through its subsidiary companies.
- v) Management has commenced the process of restructuring some of its debts with some banks during the year. This will avail the Company access to additional funding. As at year end, the Company has completed the process with one bank while documentation in respect of another bank are being perfected.
- vi) Management has negotiated the outstanding loan balances with some banks and some of them have acceded to the Company's request for 50% waiver in full and final settlement of the outstanding balances. Subsequent to the year end, payments of N210 million and N1 billion were made to two banks in fulfilment of the approved concession.
- vii) The Directors have reviewed the Company's projected revenue as well as funding requirements for the twelve month from year end. The budget was prepared using bases and assumptions that are consistent with the current economic reality. Management regularly monitors performance against budget and the Directors believe it reflects a fair and realistic basis for future performance.
- viii) The Directors have also considered the ongoing conflict in Ukraine. The Company does not import any of its products from Russia and Ukraine and therefore the ongoing conflict has no impact on its supply chain.

The financial statements have therefore been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that actions being taken by the Directors as mentioned above will yield positive results and that realisation of assets and settlement of liabilities will occur in the ordinary course of the business.

**33 Events after the reporting period**

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 2022 and on the profit for the year ended on that date, which have not been adequately provided for or disclosed in these financial statements.

**34 Comparative figures**

Where necessary comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the International Accounting Standards (IAS 1).

CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES  
OTHER NATIONAL DISCLOSURE  
CONSOLIDATED STATEMENT OF VALUE ADDED  
FOR THE YEAR ENDED 31 MARCH 2022

	GROUP				COMPANY			
	2022 N'000	%	2021 N'000	%	2022 N'000	%	2021 N'000	%
Revenue	9,680,395		4,814,500		3,053,669		1,387,382	
Other income	1,788,441		313,005		1,793,960		287,079	
	11,468,836		5,127,505		4,847,629		1,674,461	
Bought in materials and services:-								
- Imported	(9,499,617)		(6,543,356)		(2,933,344)		(3,748,380)	
- Local	-		-		-		-	
<b>Value absorbed</b>	<b>1,969,219</b>	<b>100</b>	<b>(1,415,851)</b>	<b>(100)</b>	<b>1,914,285</b>	<b>100</b>	<b>(2,073,919)</b>	<b>(100)</b>
<b>Applied as follows:</b>								
<b>To pay employees:</b>								
Employees' wages, salaries and other benefits	293,136	15	308,871	22	99,523	5	131,051	6
<b>To pay Government:</b>								
Taxation	273,721	14	231,556	16	71,146	4	119,707	-
<b>To pay providers of capital:</b>								
Finance costs	1,334,835	68	1,654,671	117	1,210,296	63	1,458,799	70
<b>To provide for replacement of assets and growth:</b>								
- Depreciation of property, plant and equipment	-	-	203,575	14	68,161	4	74,874	4
- Profit or loss account	-	-	(3,814,043)	(269)	465,159	24	(3,858,350)	(186)
Non controlling interest	67,527	3	(481)	(0)	-	-	-	-
	<b>1,969,219</b>	<b>100</b>	<b>(1,415,851)</b>	<b>(100)</b>	<b>1,914,285</b>	<b>100</b>	<b>(2,073,919)</b>	<b>(106)</b>

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

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**OTHER NATIONAL DISCLOSURE**  
**CONSOLIDATED FIVE-YEAR FINANCIAL SUMMARY**

GROUP	2022	2021	2020	2019	2018
	N'000	N'000	N'000	N'000	N'000
<b>Statement of financial position</b>					
Non current assets	7,119,763	4,620,293	5,649,682	6,009,799	6,008,746
Net current (liabilities)/assets	(7,144,399)	(10,020,203)	(7,319,539)	(3,672,684)	(307,184)
Non current liabilities	<u>(3,789,523)</u>	<u>(1,622,899)</u>	<u>(1,538,908)</u>	<u>(1,690,406)</u>	<u>(2,296,025)</u>
<b>Net (liabilities)/ assets</b>	<b><u>(3,814,160)</u></b>	<b><u>(7,022,809)</u></b>	<b><u>(3,208,765)</u></b>	<b><u>646,709</u></b>	<b><u>3,405,537</u></b>
<b>Capital and reserves</b>					
Share capital	361,463	361,463	361,463	361,463	361,463
Revaluation reserve	6,409,404	4,082,970	4,082,970	4,082,970	4,082,970
Revenue reserve	<u>(10,085,824)</u>	<u>(10,900,512)</u>	<u>(7,086,950)</u>	<u>(3,408,342)</u>	<u>(906,878)</u>
Total equity attributable to owners of the Company	(3,314,957)	(6,456,079)	(2,642,516)	1,036,091	3,537,555
Non-controlling interest	<u>(499,203)</u>	<u>(566,730)</u>	<u>(566,249)</u>	<u>(389,382)</u>	<u>(132,018)</u>
<b>Total equity</b>	<b><u>(3,814,160)</u></b>	<b><u>(7,022,809)</u></b>	<b><u>(3,208,765)</u></b>	<b><u>646,709</u></b>	<b><u>3,405,537</u></b>
<b>Statement of profit or loss</b>					
Turnover	<u>9,680,395</u>	<u>4,814,500</u>	<u>6,815,709</u>	<u>11,249,818</u>	<u>8,732,985</u>
(Loss)/profit before taxation	1,155,936	(3,582,487)	(3,845,247)	(2,728,423)	269,904
Taxation	<u>(273,721)</u>	<u>(231,556)</u>	<u>(84,808)</u>	<u>(30,404)</u>	<u>(69,193)</u>
(Loss)/profit for the year	882,215	(3,814,043)	(3,930,055)	(2,758,827)	200,711
Non controlling interest	<u>(67,527)</u>	<u>481</u>	<u>176,867</u>	<u>257,363</u>	<u>135,919</u>
Owners of the parents	<u>814,688</u>	<u>(3,813,562)</u>	<u>(3,753,188)</u>	<u>(2,501,464)</u>	<u>336,630</u>
<b>Per share data (kobo):</b>					
Earnings/(loss) per share	<u>113</u>	<u>(528)</u>	<u>(519)</u>	<u>(346)</u>	<u>245</u>
Dividend per share	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets per share (kobo)	<u>(528)</u>	<u>(971)</u>	<u>(444)</u>	<u>89</u>	<u>471</u>

**CHELLARAMS PLC AND ITS SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**OTHER NATIONAL DISCLOSURE**  
**FIVE-YEAR FINANCIAL SUMMARY**

COMPANY	2022	2021	2020	2019	2018
	N'000	N'000	N'000	N'000	N'000
<b>Statement of financial position</b>					
Non current assets	6,993,843	4,476,043	5,438,816	5,758,163	5,818,081
Net current (liabilities)/assets	(6,672,020)	(9,160,103)	(6,237,566)	(2,375,012)	32,961
Non current liabilities	(3,615,301)	(1,401,012)	(1,427,972)	(1,479,325)	(2,110,260)
<b>Net (liabilities)/assets</b>	<b>(3,293,479)</b>	<b>(6,085,072)</b>	<b>(2,226,722)</b>	<b>1,903,826</b>	<b>3,740,782</b>
<b>Capital and reserves</b>					
Share capital	361,463	361,463	361,463	361,463	361,463
Revaluation reserve	6,409,404	4,082,970	4,082,970	4,082,970	4,082,970
Revenue reserve	(10,064,346)	(10,529,505)	(6,671,155)	(2,540,607)	(703,651)
<b>Total equity</b>	<b>(3,293,479)</b>	<b>(6,085,072)</b>	<b>(2,226,722)</b>	<b>1,903,826</b>	<b>3,740,782</b>
<b>Statement of profit or loss</b>					
Turnover	3,053,669	1,387,382	1,973,991	4,156,673	4,847,173
(Loss)/profit before taxation	536,305	(3,738,643)	(4,193,773)	(1,836,955)	472,909
Taxation	(71,146)	(119,707)	(11,356)	-	(24,263)
(Loss)/profit for the year	<b>465,159</b>	<b>(3,858,350)</b>	<b>(4,205,129)</b>	<b>(1,836,955)</b>	<b>448,646</b>
<b>Dividend declared</b>	-	-	-	-	-
<b>Per share data (kobo):</b>					
Earnings per share	64.34	(533.71)	(581.68)	(254.10)	62.06
Diluted earnings per share (kobo)	(456)	(842)	(308)	263	517





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0805 509 9000



**Chellarams DMK Ltd**

**CONSOLIDATION OF ACCOUNTS FORM**

Dear Shareholder

Records with our Registrars and as revealed by the Register of Members, shows that some members have more than one account in their names.

This situation may have arisen as a result of multiple applications made during new issues or as a result of purchases made through the Stock Exchange.

Servicing these accounts is posing significant administrative difficulties as well as incurring otherwise avoidable costs in respect of postage, maintenance, issuance of certificates, etc. These ultimately have an impact on the profit of the Company.

The Nigerian Stock Exchange has decided that efforts be made to consolidate multiple accounts.

Certificates should not be forwarded.

More especially to facilitate the operations of the CSCS.

We ask for your co-operation in this respect.

At the next section of this notice, complete the Consolidation Request Form and mail it to the Registrar, Greenwich Registrars and Data Solutions Limited, 274, Murtala Muhammed Way, Lagos.

.....**Tear off from here**.....

**CONSOLIDATION OF ACCOUNTS FORM**

S/N	Name	Address	Units of Shares	Certificate Number	A/C Number	Date Issued
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10						

Shareholder's Signature:

Date:

**Affix N50  
Postage Stamp  
Here**

**Greenwich Registrars & Data Solutions Limited  
274, Murtala Muhammed Way  
Alagomeji, Yaba, Lagos,**

PROXY FORM

The Annual General Meeting of Chellarams Plc will be held at Chellarams Training School Hall at Plot 110/114, Oshodi – Apapa Expressway, Isolo, Lagos, Nigeria Thursday, November 24, 2022 at 1.00pm.

I/We.....  
Being a member of Chellarams Plc, hereby appoint ..... or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us or on my/our behalf at the Annual General Meeting of the Company to be held on November 24, 2022 and at any and every adjournment thereof:

Dated this ..... day of.....2022.

ORDINARY BUSINESS		VOTES	
RESOLUTION		For	Against
1	To receive and consider the Audited Accounts for year ended 31 <sup>st</sup> March, 2021 together with the reports of the Directors, Audit Committee and the Auditors thereon.		
2	To re-elect Chief Suresh M. Chellaram as a Director.		
3	To re-elect Mrs. Angela Morenike Agbe- Davies as a Director		
4	To authorise the Directors to fix the remuneration of the Auditors.		
5	To elect/re-elect members of the Audit Committee.		
6	Special Business: That the Directors' fees for the financial year ended 31 <sup>st</sup> March, 2022 be and as stated in paragraphs iii and iv, page 73 in the Annual Report.		

Please indicate an 'X' in the appropriate box how you wish your votes to be cast on the resolutions referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion

Shareholder's signature -----

A member entitled to attend and vote at the AGM is advised to select from the under listed proposed proxies to attend and vote in their stead:

1. Asiwaju (Dr.) S.K. Onafowokan
2. Chief Suresh M. Chellaram
3. Mr. Aditya S. Chellaram
4. Alhaji Ahmed Abdulkadir
5. Mrs. Morenike Agbe - Davies
6. Mr. Ezekiel M. Faniyi
7. Prince Yomi Ogunsowo
8. Mr. Peter Eyanuku
9. Mr. Emmanuel E. Ebosele

**NOTE**

A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by Proxy. The above proxy form has been prepared to enable you exercise your right to vote if you cannot personally attend.

Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked\*) the name of any person, whether a member of the Company or not, who will attend and vote on your behalf instead of the Chairman of the meeting.

Please sign the above and post it so as to reach the address shown overleaf not later than 48 hours before the date of the Annual General Meeting.

If executed by a corporation, the proxy form should be sealed with the common seal. The proxy must produce the Annual Report sent with the Notice of the Meeting to obtain entrance to the Meeting.

-----  
*Before posting the above card, tear off this part and retain it for admission into the meeting.*

**ADMISSION CARD**

Please admit ..... to the Annual General Meeting of Chellarams Plc which will be held at 1.00 p.m. on November 24, 2022 at Chellarams Training School Hall at Plot 110/114, Oshodi – Apapa Expressway, Isolo, Lagos, Nigeria.

Shareholder's Signature .....

Proxy's Signature .....

**IMPORTANT:**

- a) This admission card must be produced by the shareholder or his proxy in order to obtain entrance to the Meeting.
- b) Shareholders and/ or their proxies are requested to sign the admission card before attending the Meeting

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**Greenwich Registrars & Data Solutions Limited  
274, Murtala Muhammed Way  
Alagomeji, Yaba, Lagos,**

**REQUEST FOR E-BONUS FORM**

**The Registrar  
Greenwich Registrars and Data  
Solutions Limited  
274, Murtala Muhammed Way  
Yaba, Lagos**

CHELLARAMS PLC  
REQUEST FOR E-BONUS

I/We hereby request that henceforth, all bonuses due to me/us with respect to my/our shareholding in CHELLARAMS PLC be paid directly to my CSCS/Stockbroker account as stated below:

**Account Details:**

Shareholder Account No.:

(Please look on the left hand corner of your certificate for your account number)

Name of Shareholder:

Address of Shareholder:

Investor's Account No:

CSCS Account No (CHN):

GSM No:

Email Address:

Yours faithfully

Signature:

Corporate Shareholders should  
please affix seal here and state  
RC No

Name:

**For Joint Shareholders.....**

Signature:

Name:  of Shareholder

Signature:

Name:  of Shareholder

Signature:

Name:  of Shareholder

*Official stamp and authorized signatures of Stockbroker*

1. Signatory:

2. Signatory:

Seal of Stockbroker

**Affix N50  
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**Greenwich Registrars & Data Solutions Limited  
274, Murtala Muhammed Way  
Alagomeji, Yaba, Lagos,**

**REQUEST FOR E-DIVIDEND & CHANGE OF ADDRESS FORM**

**To all Shareholders  
CHELLARAMS PLC**

Dear Shareholders,

Your Board and Management are concerned about the unhealthy state of the unclaimed dividend balance. The Company and Registrars share the burden of ensuring that the balance on the unclaimed dividends is kept well reduced.

To this end, Shareholders with unclaimed dividends are urged to come forward to claim their dividends.

Shareholders are also encouraged to:

- Inform the Registrars promptly of any change of address and to follow up to ensure rectification.
- Have their accounts mandated for e-dividend

To forestall a situation where complaints are made of non-payment, the Registrars will, contemporaneously with remittance to the various banks for the mandated account of Shareholders, forward Advice Slips to such Shareholders.

We do solicit your co-operation in this regard.

**COMPANY SECRETARY**

.....**Tear off from here**.....

Date:

The Registrars  
Greenwich Registrars and Data Solutions Limited  
274, Murtala Muhammed Way  
Yaba, Lagos

Please state your former address here and the new address (if any) in the space provided in the body of this letter

**CHELLARAMS PLC  
REQUEST FOR E-DIVIDEND AND CHANGE OF ADDRESS**

Kindly direct my/our Dividend Payment in respect of all my/our shares in the above Company into my/our account stated below:

BANK DETAILS:

Name of Bank:

Branch and Sort Code:  Stamp of Bank

Address of Branch:

Account Number (Current or Savings)

Signature of Shareholder

Bank Authorised Signatory

Please note my/our change of address as follows:

Yours faithfully

Signature:

Name:

Corporate Shareholders should please affix seal here and state RC No

**For Joint Shareholders**.....

Signature:

Name:  of Shareholder

Signature:

Name:  of Shareholder



**Affix N50  
Postage Stamp  
Here**

**Greenwich Registrars & Data Solutions Limited  
274, Murtala Muhammed Way  
Alagomeji, Yaba, Lagos,**

# LIST OF UNCLAIMED DIVIDENDS

























2291 ODILI FUNMILAYO JOYCE  
2292 EDEH CHIDI  
2293 ALBERT MARY CHIDINMA  
2294 UMORU MAHAMED MAX-CUNT  
2295 SFS RESEARCH  
2296 OKOLI FRANK JOVITA EMEKA  
2297 ADEGBORE OLATOKUNBO ADIO  
2298 OKPALAOKA AZUBUIKE  
CHUKWUJEKWU



Dynamic Industries Limited manufactures plastic film, using monolayer and multilayer extruders, for industrial application



**THE COMPANY SECRETARY**



***Chellarams Plc***

*Serving Nigeria since 1923*

110/114 Oshodi - Apapa Expressway  
Isolo, Lagos.

[www.chellaramsplc.com](http://www.chellaramsplc.com)