

CHELLARAMS PLC

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 MARCH 2026**

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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CORPORATE INFORMATION

DIRECTORS, ADVISORS AND REGISTERED OFFICE

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

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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2026.

CHAIRMAN'S STATEMENT

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

It is a great privilege to welcome you all to the 77th Annual General Meeting ('AGM') of Our Group and to present to you, my address and the Annual Report and Financial Statements for the year ended 31st March 2026.

THE ECONOMIC OPERATING ENVIRONMENT IN YEAR 2025

The economic environment continued to face uncertainties due to multiple tensions in the Eastern Europe and Middle East including Tariff trade volatility on energy with underpinned long term structural adjustments in all sectors operating across the globe. However, Gross Domestic Product in Nigeria improved to 3.87% at the end of year 2025 while Central Bank of Nigeria continued with its reforms policy agenda which stabilizes the Forex market to greater extent. Inflationary pressures in Nigeria also moderated from 34.80% in 2025 to 15.15% by the close of year 2025 thus creating relief measures to consumers generally.

OPERATING RESULTS AND PERFORMANCE

Our Group's Turnover improved from ₦ 23.099 Billion as at 31st March, 2025 to ₦25.981 Billion by 31st March, 2026 while Group's profit or Loss Before Tax is ₦657.521 Billion as at 31st March, 2026 as against Loss of (₦2.571 Billion) as at 31st March 2025.

DIVIDEND

It is unfortunate that your Board of Directors could still not recommend payment of Dividend at this AGM due to negative status of our Group's Balance Sheet. However, please bear with us and be rest assured that your Directors will endeavor to reverse the position pretty soon.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

In pursuant to your Company's Policy in giving back to the Communities within our Operating environment, we expended the following on CSR during the reporting Financial Year.:-



	N
(a) Scholarship for various Scholars	- 60,000
(b) Education Assistance to employees Sons/ Daughters	- 4,253,225
(c) Funeral Assistance to Indigent employees' Parents	- 100,000
(d) Medical Assistance to Needy Nigerians	- 1,850,238
Grand Total	= 6,263,463

FUTURE OUTLOOK

Based on world Bank's projection of GDP growth of between 3.5% and 4% in Nigeria which is being complemented by inflationary pressures control by Central Bank of Nigeria which moderated to 15.15% at year end-of 2025 and expected to remain under control, we are hopeful that the outlook for Financial Year ending 31st March, 2027 should produce positive result when compared with the results achieved in the last Seven (7) Financial Years.

Encouragingly, the strategic desire of your Company to come out of the loss by the end of current financial Year by anchoring and prioritizing products segments within the Group, the Growth Opportunities should be forthcoming on or before 31st March 2027.

BOARD, STAKEHOLDERS, MANAGEMENT AND STAFF

Please join me in appreciating my fellow Directors on the Board of our Group as well as Top Management Team and other cadres of Staff for their dedication, stewardship, loyalty and selfless services to our Organization despite varied constraints. To our Customers, Regulators, Bankers and Stakeholders, we remain grateful for your enduring trust in our ability to continue to deliver as a going concern.

Thank you all .


ASIWAJU DR. SOLOMON K. ONAFOWOKAN, OON.

CHAIRMAN

FRC/2013/IODN/00000005337

LAGOS, 26TH NOVEMBER 2026

CHELLARAMS PLC

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Chief Executive Officer's Report

Dear Shareholders and our extended Chellarams Plc family,

I will start this year's report with the hard fact. At the company level, Chellarams Plc made a loss of ₦173 million. Our turnover actually grew, to ₦9.86 billion, but the margin on our trading business was thin and the cost of our borrowings was heavy. It tells me how hard the environment still is for a distribution business like ours and how much work remains to put our margins back where they belong.

There is, even so, a good deal to be encouraged by, because we spent the year strengthening the foundations of the company. We brought our group borrowings down from ₦7.1 billion to ₦4.9 billion, which steadily lightens an interest burden that has weighed on us for years. The rental income from our Isolo property, now held formally as an investment property, brought in ₦713 million. That is income we can count on whatever the trading cycle is doing, and it has become a quiet but important part of how we fund the business.

The real lift this year came from our subsidiaries. Dynamic Industries made a profit of ₦153 million, having lost ₦545 million the year before. Alongside recognition from its customers for consistent and high-quality product, Dynamic earned its ISO 9001:2015 recertification along the way. UTAS also had a strong year, growing profit by more than a third to ₦117 million on the back of its equipment sales and its connected after-market maintenance business.

The consolidated picture reveals sound fundamentals. Group turnover rose to ₦25.98 billion from ₦23.09, gross profit grew by 65% to ₦2.6 billion and the profit before tax rested at ₦657.52 million. A kinder foreign-exchange environment helped, but the operating improvement underneath it is real.

The clearest way I see to lift the company's profitability next year is to run our operations more efficiently: a tighter supply chain, quicker movement of goods and cash through the business and better use of the working capital that is currently sitting in inventory. Continuing on the interventions we have made in our reordering, sales and marketing I am confident we are on the right path with further positive results to follow.

None of this would have been possible without our people. Many companies have stepped back from Nigeria in recent years. We have no intention to follow them. This is our home, and it has been for over a century. We built this company here, we believe in this country and that belief is what keeps us the supplier our customers choose to rely on.

Thank you for your patience, your support, and your prayers. I look forward to building on this progress with you in the year ahead.

Sincerely,



ADITYA S. CHELLARAM

Aditya S. Chellaram
Chief Executive Officer

Dated: 25 June 2026

CHELLARAMS PLC

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

In compliance with Section 404(7) of the Companies and Allied Matters Act, 2020 ('The Act'), we, the members of the Audit Committee have reviewed and considered the consolidated and separate financial statements of the Company for the year ended 31 March, 2026 and the reports thereon and confirm as follows:

- a) The accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.
- b) The scope and planning of the audit requirements were in our opinion adequate,
- c) We have reviewed the findings on management matters, in conjunction with the External Auditors and are satisfied with the responses of management thereon.
- d) The Company's system of accounting and internal controls were adequate.
- e) We have made the recommendations required to be made in respect of the Auditors.



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

Dated: 25 June 2026

Other Members:

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

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REPORT OF CORPORATE GOVERNANCE

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

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

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

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

The Board

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

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

Internal Organization

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

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

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The Board of Directors met Four (4) times during the financial year ended 31 March 2026 and a record of their attendance is as shown below:

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

The meetings were held on 26th June 2025, 18th September, 2025, 6th November 2025 and 29th January 2026 respectively.

Board Code of Ethics

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

Board Committees

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

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

Audit committee

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

The committee met thrice during the financial year ended 31st March 2026 and a record of their attendance is shown below:

<u>Members</u>	<u>No. of meetings held</u>	<u>No. of meetings attended</u>
Mr. Ezekiel Faniyi	2	2
Alhaji Ahmed A. Abdulkadir	2	2
Mr. Peter Eyanuku	2	2
Mrs Angela Morenike Agbe – Davies	2	2
Prince Yomi Ogunsowo	2	2

The meetings were held on 16th May, 2025 and 26th June, 2025.

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

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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 once during the financial year ended 31st March 2025 and a record of their attendance is shown below:

<u>Members</u>	<u>No. of meetings held</u>	<u>No. of meetings attended</u>
Alhaji A. A. Abdulkadir	1	1
Mr. A. S. Chellaram	1	1
Mrs. Angela M. Agbe-Davies	1	1
Mr. Rajesh Mishra	1	1
Mr. Samuel B. Akinrin	1	1

The meeting was held on 5th February, 2026.

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 2025 and a record of their attendance is shown below:

<u>Members</u>	<u>No. of meetings held</u>	<u>No. of meetings attended</u>
Alhaji Ahmed A. Abdulkadir	1	1
Mr. Aditya S. Chellaram	1	1
Mrs Angela Morenike Agbe – Davies	1	1

The meetings was held on 5th February, 2026.

Information to Shareholders

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

Annual General Meeting

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

Company Secretary

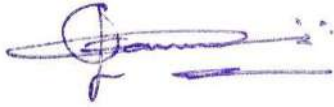
It is the role of the Company Secretary to ensure the Board remains cognizant of its duties and responsibilities. In addition to providing the Board with guidance on its responsibilities, the Company Secretary keeps the Board abreast of relevant changes in legislation and governance best practices. The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

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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

Dated: 26th June, 2026

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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, 2026.

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 31st March, 2026:

RESULT FOR THE YEAR					
	Group		Company		Company
	2026	2025	2026	2025	Dec/Inc %
Revenue	25,981,506	23,099,795	9,855,568	9,003,068	9%
Profit/Loss before Taxation	657,521	(2,571,801)	(44,710)	(25,912)	-73%
Profit/Loss for the year	281,871	(2,576,966)	(172,921)	63,825	-371%
Share Capital	361,463	361,463	361,463	361,463	0%
Total Equity	2,577,494	2,295,623	7,283,628	7,456,549	-2%
Basic Earning per share	28	(262)	(24)	9	-367%
Diluted Earning per share	28	(262)	(24)	9	-367%
Net Liabilities	2,577,494	2,295,623	7,283,628	7,456,549	-2%
Stock Exchange Quotation at 31st March, in Naira per share	13.2	7.9	13.2	7.9	67%
Number of Share Issued ('000)	722,926	722,926	722,926	722,926	0%
Market Capitalization at 31st March (in N'000)	9,542,623	5,711,115	9,542,623	5,711,115	67%

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

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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 31st March, 2026 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, Asiwaju Solomon K. Onafowokan and Mr. Aditya S. Chellaram are the directors retiring by rotation. Asiwaju Solomon K. Onafowokan 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 31st March, 2026 for the purpose of section 303 of the Companies and Allied Matters Act, 2020.

SHARE CAPITAL AND SHAREHOLDING

Issued Share Capital:

The issued share capital of the Company is 361,462,500 made up of 722,925,000 Ordinary Shares of 50k each.

Issued and Fully Paid Share Capital:

The Company's issued and fully paid-up share capital as at 31st March, 2026 was ₦361,462,500 divided into 722,925,000 Ordinary Shares of 50k each.

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 (NGX) for the period under review are as follows:

Names of Directors	Direct Holding as at March 31, 2026	Indirect Holding as at March 31, 2026	% Holding as at March 31, 2026 (Direct)	% Holding as at March 31, 2025 (Indirect)	Direct Holding as at March 31, 2025	Indirect Holding as at March 31, 2025
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

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The company declares that aside from the listed person(s) in the above schedule, no other person(s) has 5% or more of the issued and fully paid share capital of the company.

ANALYSIS OF SHAREHOLDING

The following is the analysis of shareholdings in the Register of Members as at 31st March, 2026:

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	2.20
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 ABOVE	14	0.44	665,676,990	92.08
	3,159	100.00	722,925,000	100.00

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	40.00
2	Introtex Corporation	137,700,000	19.05
3	Westfield Consultants Limited	118,571,292	16.40
4	Murli T. Chellaram Foundation	49,101,720	6.79

SHARE CAPITAL HISTORY

S/N	YEAR	SHARES	DESCRIPTION	AMOUNT (₦)
1	2017	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
2	2018	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
3	2019	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
4	2020	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
5	2021	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
6	2022	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
7	2023	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
8	2024	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
9	2025	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00
10	2026	722,925,000	Ordinary Shares of 50 Kobo each	361,462,500.00

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

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PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in the fixed assets is given in Note and in the Financial Statements.

DONATIONS

CORPORATE SOCIAL RESPONSIBILITY 2025/2026 FY						
						N
Scholarship for various Nigerian sholars						60,000
Education Assistance to Employees sons/duaghters						4,253,225
Funeral Assistance to for indigent Employee's Parents						100,000
Medical Assistance to Needy Nigerians						1,850,238
						6,263,463

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.

REGULATORY SANCTIONS AND PENALTIES

Chellarams Plc did not incur any penalties or sanctions from any regulatory authority during the financial year ended 31st March, 2026.

AUDITORS

The External Auditors, PKF Professional Services served the Company during the 2025/2026 financial year and have indicated their willingness to continue in office. A resolution will be proposed to authorise the Directors to fix the Auditor's 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.

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

www.chellaramsplc.com.

All complaints should be directed to:

Greenwich Registrars and Data Solutions 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/Legal Adviser
FRC/2020/002/00000022116

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

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STATEMENT OF DIRECTORS RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

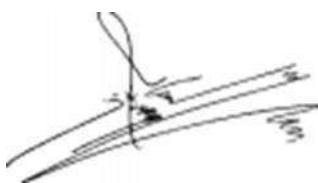
- a) Keeps proper accounting records that disclose, with reasonable accuracy, the consolidated and separate financial position of the Group and the Company and comply with the requirements of the Companies and Allied Matters Act, 2020.
- b) Establishes adequate internal control to safeguard its assets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

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

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS



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

Dated: 25 June 2026



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

Dated: 25 June 2026

CHELLARAMS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

CERTIFICATION PURSUANT TO SECTION 60 (2) OF THE INVESTMENT AND SECURITIES ACT OF LAWS OF THE FEDERAL REPUBLIC OF NIGERIA 2025 (as ammended)

We the undersigned hereby certify the following with regards to our audited consolidated and separate financial statements for the year ended 31 March 2026 that:

- a) We have reviewed the report:
- b) To the best of our knowledge, the report does not contain:
 - i. Any untrue statement of a material fact, or
 - ii. Omit to state a material fact, which would make a statement, misleading in light of the circumstance under which such statements were made;
- c) To the best of our knowledge, the consolidated and separate financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Group and 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 Group and the company and its consolidated subsidiaries is made known to such officers by others within those entities, particularly during the periodic reports that are being prepared;
 - iii. have evaluated the effectiveness of the Group's and the company's internal controls as of that date within 90 days prior to the report;
 - iv. have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- e) We have disclosed to the auditors of the Group and the company, and the audit committee:
 - i. all significant deficiencies in the design or operation of internal controls which would adversely affect the Group's and the company's ability to record, process, summarize and report financial data and have identified for the Group's and the company's auditors any material weakness in internal controls, and
 - ii. any fraud whether or not material, that involves management or other employees who have significant roles in the company's internal controls.
- f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal control subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



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

Dated: 25 June 2026



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

Dated: 25 June 2026

CHELLARAMS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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 Group and the Company for the year ended 31 March 2026 and based on our knowledge confirm as follows:

- a) the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the financial statements misleading;
- b) the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the Company as at and for the year ended 31 March 2026.
- c) the Group's and 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 Group's and the Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as at 31 March 2026.
- e) that we have disclosed to the Auditors that there are no significant deficiencies in the design or operation of the Group's and the Company's internal controls which could adversely affect the Company's ability to record, process, summaries 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 Group's and 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

Dated: 25 June 2026



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

Dated: 25 June 2026

CHELLARAMS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

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

- a) We have reviewed the 2026 Annual Report and consolidated and separate financial statements of Chellarams Plc ("the company") and its subsidiaries (together "the Group") and.
- b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on our knowledge, the consolidated and separate financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations, and cash flows of the Group and the company as of **31 March 2026**, presented in this report.
- d) Chellarams Plc certifying officers:
- e) Are responsible for establishing and maintaining internal controls;
- f) Have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information regarding Chellarams Plc, is made known to us by others within the entities, particularly during the period in which the report is being prepared;
- g) Have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated and separate financial statements for external purposes in accordance with generally accepted accounting principles; and
- h) Have evaluated the effectiveness of the Group and the company's internal controls and procedures as of the date within 90 days prior to the report and presented in this report our conclusion about the effectiveness of the internal controls and procedures, as of **31 March 2026** covered by this report based on such evaluation.
- i) Chellarams Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the Group and the company's auditors (PKF Professional Services) and the Audit Committee that:
- j) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to affect Chellarams Plc's ability to record, process, summarise, and report financial information; and
- k) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's and the company's internal control system.
- l) Chellarams Plc certifying officers have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to deficiencies noted.



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

Dated: 25 June 2026



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

Dated: 25 June 2026

**Independent Auditor's Attestation Report on
Management's Assessment of Internal Controls over Financial Reporting**

To the Shareholders of Chellarams Plc

Attestation

We have performed a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Chellarams Plc ("the Company") and its subsidiaries (together "the Group")** as of 31 March 2026, in compliance with the SEC Guidance on Implementation of Section 89-91 of the Investments and Securities Act 2025 (as amended) issued by the Securities and Exchange Commission and in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group and the Company's internal control over financial reporting as of 31 March 2026 is not effective, in compliance with the SEC Guidance on Implementation of Section 89-91 of the Investments and Securities Act 2025 (as amended) issued by the Securities and Exchange Commission and the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Basis for Attestation

We conducted a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Chellarams Plc ("the Company") and its subsidiaries (together "the Group")** as of 31 March 2026, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

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

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

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

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

The directors are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in accordance with requirement of Section 405 of the Companies and Allied Matters Act, 2020, in connection with Section 1.3 of SEC Guidance on implementation of Sections 89-91 of the investments and securities Act No. 29, 2025 (as amended) and in compliance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting

Our responsibility is to express an opinion on the management's assessment of the effectiveness of the Group and the Company's internal control over financial reporting based on our limited review.

We conducted our limited review assurance engagement in accordance with "the Guidance", which requires that we planned and performed the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included:

- obtaining an understanding of internal control over financial reporting,
- assessed the risks that a material weakness may exist, and
- evaluated the result of the test of design and operating effectiveness of internal control based on the assessed risks.

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

Definition of Internal Control over Financial Reporting

The Group's and the Company's internal control over financial reporting is process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated and separate financial statements for external purposes in accordance with Generally Acceptable Accounting Principles and includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group and the Company.
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated and separate financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and direction of the Group and the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's and the Company's assets that could have a material effect on the consolidated and separate financial statements.

Limitations of Internal Control over Financial Reporting

Because of such limitations, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitation are:

- a) Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitations;
- b) It is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures.
- c) It can be circumvented by collusion or improper management override.

Other Information

We have also audited, in accordance with the requirements of International Standards on Auditing, the consolidated and separate financial statements of the **Chellarams Plc** and our report dated **25 June 2026** expressed an unqualified opinion.


Benson O. Adejayan, FCA
FRC/2013/PRO/ICAN/004/00000002226
For: PKF Professional Services
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

Dated: 25 June 2026



Independent Auditor's Report**To the Shareholders of Chellarams Plc****Report on the audit of the financial statements****Opinion**

We have audited the consolidated and separate financial statements of **Chellarams Plc ("the Company") and its subsidiaries (together "the Group")** which comprise the consolidated statement of financial position at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group at 31 March 2026, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs); in compliance with the Financial Reporting Council of Nigeria Act, 2023 (as amended) and in the manner required by the Companies and Allied Matters Act, 2020.

Basis of Opinion

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

Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
<p>1. Impairment of trade receivables - Expected Credit Loss (ECL) assessment on financial assets.</p> <p>The determination of the impairment charge for trade receivables requires the assessment of Expected Credit Loss Model (ECL) using the simplified approach on recoverable amounts in line with IFRS 9.</p> <p>The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the company in formulating the financial model. The model also requires assumptions in the estimation of forward looking macro-economic variables in computing the Probability of Default (PD).</p>	<p>We focused our testing of impairment on the assumption made by management and in line with IFRS 9, Expected Credit Loss Model (ECL).</p> <p>Our audit procedures include, amongst others, the following:</p> <ul style="list-style-type: none"> • Performed an independent review of the impairment calculation and considered all assumptions used in the impairment model and evaluated whether the model complies with the requirements of IFRS 9. • Reviewed the age analysis of debtors and controls put in place by management on the recoverability of receivables that have been long over due. • We reviewed other areas of macro-economic variables such as inflation rates, exchange rate, Gross Domestic Products (GDP). • We confirmed that appropriate disclosures were made in accordance with the entity's accounting policies and applicable financial framework.
<p>2. Valuation of inventory</p> <p>The carrying amount of inventories at year end was N3.42 billion (31 March 2025: N2.73 billion) for the Group while that of the Company was N1.65 billion (31 March 2025: N1.21 billion) representing 14% (31 March 2025 13%) while that of the Company was 9% (31 March 2024:13%) of the total assets. No allowance for slow moving has been recorded to reduce the carrying value of the inventories to their estimated realisable values. The company's sales of consumable items can be extremely volatile considering the market competition and the changes in consumers taste. As a result there is possibility that obsolete and slow moving inventories may not be adequately written down and this may lead to overstatement of inventory.</p>	<p>Our audit procedures include, amongst others, the following:</p> <ul style="list-style-type: none"> • Reviewed management's procedures and policies relating to provision for obsolete inventories. • Reviewed age analysis of the Company's inventory and ensured that the value of obsolete and soiled inventory were adequately written down. • Reviewed and take note for action, all observations noted during the inventory physical count that could likely affect the impairment calculation of obsolete inventory. • Reviewed and challenged the reasonableness of key management's assumptions used for the impairment based on our knowledge of the business and industry.

<p>3. Revenue recognition</p> <p>Revenue is a key performance indicators on which the company and its Directors are assessed. There could be pressures on margin and competition which could lead to recognising revenue in the wrong financial period.</p> <p>There is possibility of misstatement of revenue if sales returns after year end are not properly recorded.</p>	<p>Our audit procedures include, amongst others, the following:</p> <ul style="list-style-type: none"> • Reviewed the accounting policy for consistency and management's procedures in the recognition and recording of revenue and sales return. • Evaluated the design and implementation and the operating effectiveness of internal controls over the approval of goods sold. • For sales of goods to customers during the year, we compared on a sample basis, postings into revenue ledger which is evidence by delivery notes and copy of invoice duly signed by the customer. • We performed data integrity check on revenue including the accuracy of sample of journal entries relating to revenue by checking them to supporting documentations, such as approved credit notes to customers with respect to sales returns. • We assessed the posting in sales ledger subsequent to year end to understand the basis of any significant/unusual credit notes. • We tested whether revenue transactions occurring both prior and post year end date were recognised in the correct financial period. • Tested to ensured that sales return is agreed to approved credit note and that it is related to the appropriate period.
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Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) Proper books of accounts have been kept by the Company, in so far as it appears from our examination of those books; and
- iii) The Company's statement of financial position and statement of profit or loss are in agreement with the books of account.

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

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management assessments of the Company internal control over financial reporting as at 31 March 2026. The work performed was done in accordance with ISAE 3000 (Revised). Assurance Engagement Other Than Audit or Review of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated **25 June 2026**. The report is included in the annual report.



Benson O. Adejayan, FCA
FRC/2013/PRO/ICAN/004/00000002226
For: PKF Professional Services
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

Dated: 25 June 2026



CHELLARAMS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Group		Company	
		2026 N'000	2025 N'000	2026 N'000	2025 N'000
Revenue	7	25,981,506	23,099,795	9,855,568	9,003,068
Cost of sales	8	(23,381,873)	(21,521,848)	(9,377,564)	(8,329,846)
Gross profit		2,599,633	1,577,947	478,005	673,222
Other operating income	9	773,085	713,327	769,974	712,001
Selling and distribution expenses	10	(430,172)	(296,406)	(69,162)	(50,597)
Administrative expenses	11	(2,244,087)	(1,570,028)	(1,487,149)	(930,999)
Profit/(loss) from operating activities		698,459	424,838	(308,332)	403,627
Finance costs	13	(948,441)	(916,809)	(441,331)	(527,065)
Net exchange gain/(loss)	12.4	907,502	(2,079,831)	704,953	97,525
Profit/(loss) before taxation		657,521	(2,571,802)	(44,710)	(25,912)
Income tax (expenses)/write-back	15.1	(375,650)	(5,164)	(128,212)	89,738
Profit/(loss) for the year		281,871	(2,576,966)	(172,921)	63,825
Other comprehensive income:					
Items that will be reclassified to profit or loss					
Revaluation gain net of tax	30	-	6,770,422	-	6,770,422
Total comprehensive income for the year		-	6,770,422	-	6,770,422
Total comprehensive income/(loss) for the year		281,871	4,193,456	(172,921)	6,834,247
Profit/(loss) for the year attributable to:					
Owners of the parent		199,676	(1,890,514)	(172,921)	63,825
Non-controlling interest	32	82,195	(686,451)	-	-
Profit/(loss) for the year		281,871	(2,576,966)	(172,921)	63,825
Other comprehensive income for the year attributable to:					
Owners of the parent		-	6,770,422	-	6,770,422
Non-controlling interest	32	-	-	-	-
Total other comprehensive income		-	6,770,422	-	6,770,422
Total comprehensive income attributable to:					
Owners of the parent		199,676	4,879,907	(172,921)	6,834,247
Non-controlling interest	32	82,195	(686,451)	-	-
Total comprehensive income/(loss) for the year		281,871	4,193,456	(172,921)	6,834,247
Basic earnings/(loss) per share (kobo)	33	28	(262)	(24)	9

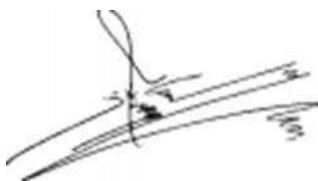
The accompanying notes and other national disclosures form an integral part of these consolidated and separate financial statements.

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2026

	Notes	Group		Company	
		2026 N'000	2025 N'000	2026 N'000	2025 N'000
Non-current assets					
Property, plant and equipment	16	3,841,311	15,271,805	2,702,455	14,073,372
Investment in subsidiaries	17	-	-	10,000	10,000
Investments in associate	18	-	-	-	-
Investment property	20	11,233,499	-	11,233,499	-
Financial assets at amortised cost	19	-	-	148,019	148,019
		<u>15,074,810</u>	<u>15,271,805</u>	<u>14,093,973</u>	<u>14,231,391</u>
Current assets					
Inventories	21	3,421,821	2,729,070	1,650,758	1,214,716
Trade receivables	22	2,593,518	1,711,674	400,548	187,207
Other current asset	23	1,667,615	708,411	565,951	466,544
Due from related parties	24	128,569	2,394,071	167,137	59,579
Cash and cash equivalents	25	234,940	490,336	36,215	281,940
		<u>8,046,463</u>	<u>8,033,562</u>	<u>2,820,609</u>	<u>2,209,986</u>
Current liabilities					
Short term borrowings	26.1	1,803,000	3,461,659	-	-
Trade and other payables	27	11,534,222	11,354,239	5,330,988	4,639,995
Due to related parties	28	3,077,114	1,720,635	591,658	253,115
Current tax liabilities	15.1	492,644	220,618	314,799	125,343
		<u>16,906,979</u>	<u>16,757,150</u>	<u>6,237,445</u>	<u>5,018,453</u>
Net current liabilities		<u>(8,860,516)</u>	<u>(8,723,590)</u>	<u>(3,416,835)</u>	<u>(2,808,465)</u>
Non-current liabilities					
Long term borrowings	26.2	1,760,804	2,364,068	1,639,137	2,144,411
Subordinated/promoter's loan	26.5	1,310,791	1,310,791	1,310,791	1,310,791
Deferred tax liabilities	15.2.1	563,113	574,293	443,582	511,174
Net employee defined benefits	27.3	2,091	3,441	-	-
		<u>3,636,799</u>	<u>4,252,593</u>	<u>3,393,510</u>	<u>3,966,376</u>
Net assets		<u>2,577,494</u>	<u>2,295,623</u>	<u>7,283,628</u>	<u>7,456,550</u>
Equity					
Ordinary shares	29	361,463	361,463	361,463	361,463
Revaluation reserve	30	13,179,827	13,179,826	13,179,826	13,179,826
Accumulated losses	31	(9,311,791)	(9,511,467)	(6,257,661)	(6,084,739)
		<u>4,229,498</u>	<u>4,029,822</u>	<u>7,283,628</u>	<u>7,456,550</u>
Non controlling interest	32	(1,652,004)	(1,734,199)	-	-
Total equity		<u>2,577,494</u>	<u>2,295,623</u>	<u>7,283,628</u>	<u>7,456,550</u>

The financial statements and notes to the financial statements were approved by the Board of directors on **25 June 2026** and signed on its behalf by:



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



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 and other national disclosures form an integral part of these consolidated and separate financial statements.

CHELLARAMS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Share capital N'000	Revaluation Reserve N'000	Revenue Reserve N'000	Non- controlling interest N'000	Total equity N'000
Group					
At 1 April 2024	361,463	6,409,404	(7,620,953)	(1,047,747)	(1,897,835)
<i>Comprehensive Income for the year</i>					
Loss for the year	-	-	(1,890,514)		(1,890,514)
Other comprehensive income	-	6,770,422	-	(686,451)	6,083,970
Total comprehensive income for the year	-	6,770,422	(1,890,514)	(686,451)	4,193,456
At 31 March 2025	361,463	13,179,826	(9,511,467)	(1,734,198)	2,295,623
At 1 April 2025	361,463	13,179,826	(9,511,467)	(1,734,198)	2,295,623
Comprehensive Income for the year					
Profit for the year	-	-	199,676	82,195	281,873
Other comprehensive income:					
Revaluation gain in the year	-	-	-	-	-
Deferred tax on revaluation gain	-	-	-	-	-
Total comprehensive loss for the year	-	-	199,676	82,195	281,873
At 31 March 2026	361,463	13,179,827	(9,311,791)	(1,652,004)	2,577,494

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

CHELLARAMS PLC

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Share capital N'000	Revaluation Reserve N'000	Retained earnings N'000	Total equity N'000
Company				
At 1 April 2024	361,463	6,409,404	(6,148,565)	622,300
Comprehensive income for the year				
Profit for the year	-	-	63,825	63,825
Other comprehensive income				-
Revaluation gain in the year		7,522,691		7,522,691
Deferred tax on revaluation gain		(752,269)		(752,269)
Total comprehensive loss for the year	-	6,770,422	63,825	6,834,247
At 31 March 2025	361,463	13,179,826	(6,084,740)	7,456,549
At 1 April 2025	361,463	13,179,826	(6,084,740)	7,456,549
Comprehensive Income for the year				
Loss for the year	-	-	(172,921)	(172,921)
Other comprehensive income:				
Revaluation gain in the year	-	-	-	-
Deferred tax on revaluation gain	-	-	-	-
Total comprehensive income for the year	-	-	(172,921)	(172,921)
At 31 March 2026	361,463	13,179,826	(6,257,661)	7,283,628

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

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Group		Company	
		2026 N'000	2025 N'000	2026 N'000	2025 N'000
Cash flows from operating activities					
Profit/(loss) for the year		<u>199,676</u>	<u>(1,890,514)</u>	<u>(172,921)</u>	<u>63,825</u>
Adjustments for non cash items					
Depreciation of property, plant and equipment	16	319,308	232,957	158,719	91,989
Gain on disposal of property, plant and equipment	16	(17,425)	(1,890)	(17,425)	(1,890)
Reclassification from PPE to Investment property	16	11,233,499		11,233,500	-
Finance charges	13	948,441	916,809	441,331	527,065
Revaluation surplus	16	-	(7,522,691)	-	(7,522,691)
Income tax expense/(writeback)	15.1	375,650	5,164	128,212	(89,738)
Tax adjustment	15.1	(128,706)	(93,993)	-	-
Non controlling interest	32	<u>82,195</u>	<u>(686,451)</u>	<u>-</u>	<u>-</u>
		<u>13,012,637</u>	<u>(9,040,608)</u>	<u>11,771,415</u>	<u>(6,931,439)</u>
Increase in inventories	21	(692,751)	(749,265)	(436,042)	(449,931)
Increase in trade and other receivables	22	(881,844)	(92,360)	(213,341)	170,365
Increase in other current assets	23	(959,204)	(72,462)	(99,407)	(92,771)
increase in due from related parties	24	2,265,502	36,113	(107,555)	(54,408)
(Decrease)/increase in trade and other payables	27	179,982	2,691,982	690,993	1,182,630
(Decrease)/increase in due to related parties	28	1,356,480	1,044,928	338,542	(306,335)
Decrease in import finance facilities	26.1	-	(100,742)	-	-
Increase in deferred tax	15.2	56,412	752,142	-	752,269
(Decrease)/increase in employee benefits	27.3	(1,350)	3,441	-	-
Cash (used in)/from operations		<u>14,335,864</u>	<u>(5,526,832)</u>	<u>11,944,605</u>	<u>(5,729,620)</u>
Tax paid	15.1	(42,510)	(42,510)	(6,348)	-
Net cash flow from/(used in) operating activities		<u>14,293,354</u>	<u>(5,569,342)</u>	<u>11,938,257</u>	<u>(5,729,620)</u>
Cash flows from investing activities					
Additions to property, plant and equipment	16	(124,014)	(210,009)	(21,304)	(7,601)
Reclassification to Investment property	20	(11,233,500)	-	(11,233,500)	-
Proceeds from disposal of property, plant and equipment		19,126	1,890	17,425	1,890
Net cash flow used in investing activities		<u>(11,338,388)</u>	<u>(208,119)</u>	<u>(11,237,379)</u>	<u>(5,711)</u>
Cash flows from financing activities					
Additional loan received	26.2	-	3,620,001	-	-
Revaluation gain net of deferred tax	30	-	6,770,422	-	6,770,422
Term loan repaid	26.2	(2,720,500)	(3,504,939)	(940,500)	(391,929)
Accrued interest on term loan	26.2	458,904	-	435,226	-
Finance charges	13	(948,441)	(916,809)	(441,331)	(527,065)
Net cash flow (used in)/from financing activities		<u>(3,210,037)</u>	<u>5,968,675</u>	<u>(946,605)</u>	<u>5,851,428</u>
Net (decrease)/increase in cash and cash equivalents		<u>(255,070)</u>	<u>191,214</u>	<u>(245,726)</u>	<u>116,097</u>
Cash and cash equivalents at 1 April		<u>490,010</u>	<u>298,796</u>	<u>281,940</u>	<u>165,843</u>
Cash and cash equivalents at 31 March	25.1	<u>234,939</u>	<u>490,010</u>	<u>36,214</u>	<u>281,940</u>
Cash and cash equivalents comprise:					
Cash at Bank and in hand	25	234,940	490,336	36,215	281,940
Bank overdraft	26.1	-	(326)	-	-
Cash and cash equivalents at the end of the year	25.1	<u>234,940</u>	<u>490,010</u>	<u>36,215</u>	<u>281,940</u>

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

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. The Company - Corporate information and principal activities

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

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

2. Going concern status

These consolidated financial statement have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligation as at when they fall due. There are no significant financial obligation that will impact on the entity's resources which will affect the the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing these consolidated financial statements.

3. Basis of preparation

a) Statement of compliance

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

The financial statements were authorised for issue by the Board of Directors on **25 June 2026**.

b) Basis of measurement

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

Financial instruments and land and building which are measured at fair value.

c) Functional and presentation currency

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

d) Use of estimates and judgement

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

3.1 Changes in accounting policies and disclosures

3.2. New and amended standards and interpretations that are effective for the current year

Several standards amendments and interpretations apply for the first time in 2025 but did not have an impact on the financial statements of the Company.

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

3.3. Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The Company has adopted the amendments to IAS 21 for the first time in the current year.

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The directors of the company has accessed the application of this amendment above and concluded did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

4. Standards and Interpretations Issued but not yet effective

The Company has not applied the following new or amended standards that have been issued by the IASB but are not yet effective for the financial year beginning 1 January 2026. The Directors anticipate that the new standards and amendments will be adopted in the Company's financial statements when they become effective. The Company has assessed, where practicable, the potential effect of all these new standards and amendments that will be effective in future periods.

If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
 - apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.
- The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

4.1 Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- * clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- * clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- * add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- * update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The directors of the Company anticipate that the application of these amendments may not have a material impact on the Company's operations or financial statements in future periods.

4.2. IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

The directors of the Company anticipate that the application of these amendments may not have a material impact on the Company's operations or financial statements in future periods.

4.3. IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The new standard introduces the following key new requirements:

- * Entities are required to classify all income and expenses into five categories in the statement of profit or loss. Namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities net profit will not change.
- * Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- * Enhances guidance is provided on how to group information in the financial statements.

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

In addition, all entities are required to use the operating profit sub-total as the starting points for the statement of cash flows when presenting operating cash flows under the indirect method.

Management is currently assessing the detailed implications of applying the new standard on the company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- * Although the adoption of IFRS 18 will have no impact on the company's net profit, the company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- * IFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.
- * The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- * The directors of the company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- * From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

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).

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

b) Basis of consolidation

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

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of The company's voting rights relative to both The size and dispersion of Other parties who hold voting rights.
- Substantive potential voting rights held by the company and by other parties;
- Other contractual arrangements;
- Historic patterns in voting attendance.

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

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

c) Associates

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

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

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

d) Revenue

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

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

i) Sales of goods

Performance obligations and timing of revenue recognition

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

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

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

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

Determining the transaction price

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

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

Allocating amounts to performance obligations

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

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

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

Costs of obtaining and fulfilling contracts

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

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

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

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Significant Financing Components

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

ii) Other income

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

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

e) Expenditure

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

The group classifies its expenses as follows:

- Cost of sales;
- Administration expenses;
- Selling and distribution expenses; and
- Other allowances and amortizations

f) Finance income and finance costs

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

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

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

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

g) Income tax expenses

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

h) Earnings per share

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

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

i) Property, plant and equipment

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

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

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

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

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

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

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

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

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

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss component of the statement of comprehensive income within 'Other income' in the year that the asset is derecognised.

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

j) Intangible Assets

Computer software

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

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

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

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

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible assets, measured 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 properties

Investment properties are properties held for long-term rental yields or for capital appreciation or both that are not significantly occupied by any of the entities within the Company.

Investment property is measured initially at cost, including related transaction costs, except when the asset is transferred from another category in the Statement of Financial Position or acquired in a share-based payment arrangement or acquired in a business combination. After initial recognition, investment property is measured using the fair value model.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company, and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Gains and losses arising from changes in fair values are included in the profit or loss in the year in which they arise. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use, and no future economic benefit is expected from its disposal. Gains and losses on the disposal of investment properties are recognised in the profit or loss in the year of disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase the revaluation surplus or reserve within equity directly. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

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l) Impairment of non-financial assets

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

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

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

m) Financial instruments

a) Financial assets

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

i) Classification

The group classifies its financial assets in the following measurement category:

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

The group holds the following financial assets:

i) Trade and other receivables

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

ii) Cash and cash equivalents

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

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

ii) Measurement

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

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

b) Financial liabilities and equity instruments

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

i) De-recognition of financial liabilities

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

ii) Offsetting financial instruments

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

iii) Impairment of financial instruments

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

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

iv) Derecognition of financial assets

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

n) Prepayments

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

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o) Inventory

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

Cost is determined as follows:-

Raw materials

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

Finished goods

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

Spare parts and consumables

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

p) Employee benefits

The group operates the following contribution and benefit schemes for its employees:

i) Defined Benefit gratuity scheme

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

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

ii) Defined contribution pension scheme

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

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

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

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

iii) Short-term benefits

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

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

s) Share capital and Share premium

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

t) Dividend on ordinary shares

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

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u) Retained earnings

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

v) Contingent liability

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

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

w) Related party transactions or insider dealings

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

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

x) Off Statement of financial position events

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

y) Effective Interest Method

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

z) Segment reporting

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

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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.

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

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

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
Trade receivables	2,638,873	1,765,696	434,637	229,963
Cash and cash equivalents	234,940	490,336	36,215	281,940
	2,873,813	2,256,032	470,852	511,903

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

Liquidity risk

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

	Book value	Contractual	One year or	
	N'000	cashflow	less	1-5 years
		N'000	N'000	N'000
At 31 March 2026				
Borrowings	4,874,595	-	804,507	1,984,792
Trade and other payables	11,534,222	-	11,534,222	-
	16,408,817	-	12,338,729	1,984,792
At 31 March 2025				
Borrowings	7,136,518	-	804,507	1,984,792
Trade and other payables	11,354,239	-	11,354,239	-
	18,490,757	-	12,158,746	1,984,792

Market risk

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

Foreign exchange risk

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

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Interest rate risk

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

	Effective interest rate N'000	One year or less N'000	1-5 years N'000	Total N'000
At 31 March 2026				
Cash and cash equivalents	-	234,940	-	234,940
Borrowings	-	(1,803,000)	-	(1,803,000)
	-	(1,568,060)	-	(1,568,060)
At 31 March 2025				
Cash and cash equivalents	-	490,336	-	490,336
Borrowings	-	(3,461,659)	-	(3,461,659)
	-	(2,971,323)	-	(2,971,323)

ii) Fair Value

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

Capital management

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

The debt-to-adjusted-capital ratio at 31 March 2026 and at 31 March 2025 were as follows:

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
Trade and other payables	11,534,222	11,354,239	5,330,988	4,639,995
Borrowings	4,874,595	7,136,518	2,949,928	3,455,202
Less: cash and cash equivalents	(234,940)	(490,336)	(36,215)	(281,940)
Net debt	16,173,877	18,000,421	8,244,702	7,813,257
Total equity	2,577,494	2,295,623	7,283,628	7,456,550
Debt to adjusted capital ratio	6.28	7.84	1.13	1.05

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

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
7. Revenue				
Industrial chemicals	25,981,506	23,099,795	9,855,568	9,003,068

7.1 Segment Reporting

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

7.2 Geographical Segmental Revenue and Operating results for the year ended 31 March 2026-Group

	Lagos	Total
	N'000	N'000
<i>Segmental Revenue</i>	25,981,506	25,981,506
Cost of Sales	(23,381,873)	(23,381,873)
Gross Profit	2,599,633	2,599,633
Selling and Distribution Expenses	(430,172)	(430,172)
Administrative Expenses	(2,244,087)	(2,244,087)
Other Operating Income	773,085	773,085
Loss from Operating Activities	698,459	698,459
Finance Expenses	(948,441)	(948,441)
Exchange loss	907,502	907,502
Profit before Tax	657,521	657,521

7.3 Business line Segmental Revenue and Operating results for the year ended 31 March 2026-Group

	Others	Plastic film	Machinery	Industrial Chemical	Total
	N'000	N'000	N'000	N'000	N'000
Segmental Revenue	-	10,019,101	6,106,837	9,855,568	25,981,506
Cost of Sales	-	(9,713,722)	(4,290,588)	(9,377,564)	(23,381,874)
Gross profit	-	305,379	1,816,249	478,005	2,599,633
Selling and Distribution Expenses	-	(158,962)	(202,048)	(69,162)	(430,172)
Administrative Expenses	(3,847)	(272,051)	(481,040)	(1,487,149)	(2,244,087)
Other Operating Income	-	1,785	1,326	769,974	773,085
Profit from Operating Activities	-	(123,849)	1,134,487	(308,332)	698,459
Finance Expenses	-	(369,711)	(51,664)	(527,066)	(948,441)
Exchange loss	907,502	-	-	-	907,502
Profit/(loss) before Tax	907,502	(493,560)	1,082,823	(835,398)	657,520

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7.4 Geographical Segmental Revenue and Operating result for the year ended 31 March 2026-Company

	Lagos N'000	Total N'000
<i>Segmental Revenue</i>	9,855,568	9,855,568
Cost of Sales	<u>(9,377,564)</u>	<u>(9,377,564)</u>
Gross profit	478,005	478,005
Selling and Distribution Expenses	(69,162)	(69,162)
Administrative Expenses	(1,487,149)	(1,487,149)
Other Operating Income	<u>769,974</u>	<u>769,974</u>
Profit from Operating Activities	<u>(308,332)</u>	<u>(308,332)</u>
Finance costs	(441,331)	(441,331)
Exchange gain	<u>704,953</u>	<u>704,953</u>
Loss before Tax	<u>(44,710)</u>	<u>(44,710)</u>

7.5 Business line Segmental Revenue and Operating results for the year ended 31 March 2026-Company

	Industrial Chemicals N'000	Total N'000
Segmental Revenue	9,855,568	9,855,568
Cost of Sales	<u>(9,377,564)</u>	<u>(9,377,564)</u>
Gross profit	478,005	478,005
Selling and Distribution Expenses	(69,162)	(69,162)
Administrative Expenses	(1,487,149)	(1,487,149)
Other Operating Income	<u>769,974</u>	<u>769,974</u>
Profit from Operating Activities	<u>(308,332)</u>	<u>(308,332)</u>
Finance Expenses	(441,331)	(441,331)
Exchange loss	<u>704,953</u>	<u>704,953</u>
Loss before Tax	<u>(44,710)</u>	<u>(44,710)</u>

7.6 Geographical Segmental Revenue and Operating results for the year ended 31 March 2025-Group

	Lagos N'000	Total N'000
Segmental Revenue	23,099,795	23,099,795
Cost of Sales	<u>(21,521,848)</u>	<u>(21,521,848)</u>
Gross Profit	1,577,947	1,577,947
Selling and Distribution Expenses	(296,406)	(296,406)
Administrative Expenses	(1,570,028)	(1,570,028)
Other Operating Income	<u>713,327</u>	<u>713,327</u>
Loss from Operating Activities	<u>424,839</u>	<u>424,839</u>
Finance Expenses	(916,809)	(916,809)
Net exchange (loss)/gain	<u>(2,079,831)</u>	<u>(2,079,831)</u>
Profit before Tax	<u>(2,571,801)</u>	<u>(2,571,801)</u>

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7.7 Business line Segmental Revenue and Operating results for the year ended 31 March 2025-Group

	Other	Plastic film	Machinery	Industrial Chemical	Total
Segmental Revenue	-	10,019,101	4,077,626	9,003,068	23,099,795
Cost of Sales	-	(9,713,722)	(3,478,280)	(8,329,846)	(21,521,848)
Gross profit	-	305,379	599,346	673,222	1,577,947
Selling and Distribution Expenses	-	(158,961)	(86,848)	(50,597)	(296,406)
Administrative Expenses	(3,847)	(272,049)	(363,133)	(930,999)	(1,570,028)
Other Operating Income	-	1,326	-	712,001	713,327
Profit from Operating Activities	(3,847)	(124,306)	149,365	403,627	424,838
Finance Expenses	-	(369,713)	(20,032)	(527,065)	(916,810)
Net exchange (loss)/gain	(2,177,356)	-	-	97,525	(2,079,831)
(Loss)/Profit before Tax	(2,181,203)	(494,019)	129,333	(25,912)	(2,571,802)

7.8 Geographical Segmental Revenue and Operating results for the year ended 31 March 2025-Company

	Lagos N'000	Total N'000
Segmental Revenue	9,003,068	9,003,068
Cost of Sales	(8,329,846)	(8,329,846)
Gross profit	673,222	673,222
Selling and Distribution Expenses	(50,597)	(50,597)
Administrative Expenses	(930,999)	(930,999)
Other Operating Income	712,001	712,001
(Loss)/profit from Operating Activities	403,627	403,627
Finance costs	(527,065)	(527,065)
Net exchange (loss)/gain	97,525	97,525
(Loss)/profit before Tax	(25,912)	(25,912)

7.9 Business line Segmental Revenue and Operating results for the year ended 31 March 2025-Company

	Industrial Chemical	Total
Segmental Revenue	9,003,068	9,003,068
Cost of Sales	(8,329,846)	(8,329,846)
Gross loss	673,221	673,222
Selling and Distribution Expenses	(50,597)	(50,597)
Administrative Expenses	(930,999)	(930,999)
Other Operating Income	712,001	712,001
Profit from Operating Activities	403,626	403,627
Finance Expenses	(527,065)	(527,065)
Net exchange (loss)/gain	97,525	97,525
Profit before Tax	(25,912)	(25,912)

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
8. Cost of sales				
Inventories at 1 April	2,729,070	1,979,810	1,214,716	764,804
Purchases	24,074,624	22,271,108	9,813,605	8,779,757
	26,803,694	24,250,918	11,028,321	9,544,561
Inventories at 31 March (Note 21)	(3,421,821)	(2,729,070)	(1,650,758)	(1,214,716)
	23,381,873	21,521,848	9,377,564	8,329,846
9. Other operating income				
Profit on disposal of property, plant and equipment	17,425	1,890	17,425	1,890
Rental income	713,533	673,568	713,533	673,568
Management fees	30,000	30,000	30,000	30,000
Insurance income	-	956	-	956
Sundry income	9,016	5,586	9,016	5,586
Interest received	3,111	1,326	-	-
	773,085	713,327	769,974	712,001
10. Selling and distribution expenses				
Sales expenses	86,170	65,257	-	-
Motor vehicle expenses	46,532	34,729	-	-
Freight Outwards	227,200	165,412	-	-
Advertising and sales promotion	63,608	21,284	69,162	50,597
Miscellaneous selling expenses	6,661	9,724	-	-
	430,172	296,406	69,162	50,597

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	Group		Company	
	2026 N'000	2025 N'000	2026 N'000	2025 N'000
11. Administrative expenses				
Depreciation of property, plant and equipment	173,108	104,535	158,719	91,989
Repairs and maintenance	261,098	242,289	233,268	206,066
Salaries and wages	343,210	283,194	175,447	140,635
Legal and professional fees	74,700	35,354	61,199	25,408
Audit fees (Note 11.5)	14,690	14,690	8,000	8,000
Travelling expenses	149,244	155,227	65,111	45,508
Rent, rates and utilities	137,585	52,738	36,604	9,543
Warehouse rent	13	13	13	13
Gas and electricity expenses	244,007	180,431	208,172	139,667
Insurance	63,142	56,580	19,792	14,993
Bank charges	66,747	10,771	65,562	9,371
Vehicles expenses	23,850	18,976	16,568	15,141
Communication, printing and stationery	92,921	60,514	24,061	20,206
Staff training	4,132	2,506	828	733
Directors' emoluments	6,000	10,500	-	4,500
Consultancy	73,896	60,835	56,699	48,928
Donations and subscriptions	31,144	52,485	13,698	32,694
Medical and staff welfare	25,753	17,100	5,433	3,391
Impairment charge (Note 11.1)	39,540	23,247	31,938	9,802
Security expenses	18,119	11,628	10,738	6,410
Fines and Penalties	20	16	20	16
Statutory expenses (Note 11.4)	198,467	-	198,467	-
License and permit	33,070	15,201	26,502	6,435
Immigration expenses	97,237	55,789	30,765	16,630
Miscellaneous expenses (Note 11.2)	22,231	4,577	-	-
Sanitation/Cleaning Expenses	6,484	6,381	6,484	6,381
Fuel expenses	23,782	53,180	23,782	53,180
Others (Note 11.3)	19,897	41,269	9,279	15,357
	2,244,087	1,570,028	1,487,149	930,999
11.1 Impairment charges				
Trade receivables (Note 22.1)	20,834	14,768	13,232	9,802
Impairment of Chellarams DMK Current A/c (Note 24.2)	18,706	-	18,706	-
Other current assets (Note 22.1)	-	8,479	-	-
	39,540	23,247	31,938	9,802

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

11.3. Included in the figure above are entertainment expenses, stock taking expenses and DSTV expenses.

11.4. Included in the figure above are interest expenses on back duty assessment and penalty charges accrued on back duty liability.

11.5. This represents fee charged on the audit exercise carried out by the external auditors ("the firm") during the year for the Group. The Firm did not carry out any other non-audit engagement for the Group during the year.

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	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
12 Exchange gain/(loss)				
Unrealised exchange loss (Note 11.4.1)	(1,109)	2,177,356	(1,109)	-
Realised exchange gain	(693,951)	(97,525)	(491,402)	(97,525)
Unrealised exchange gain	(212,442)	-	(212,442)	-
	(907,502)	2,079,831	(704,953)	(97,525)
13. Finance costs:				
Interest on related party loan	899,639	771,914	436,907	523,514
Interest on Acceptances	13,723	125,835	-	-
COT Charges	16,718	15,511	-	-
Interest on bank term loans and facilities	18,361	3,550	4,424	3,550
	948,441	916,809	441,331	527,065
14. Profit before taxation is arrived at after charging:				
Depreciation of property, plant and equipment	995,481	589,573	158,719	91,989
Auditors' remuneration	14,690	14,690	8,000	8,000
Exchange loss	(907,502)	2,079,831	(704,953)	(97,525)
Directors' remuneration and fees	6,000	10,500	-	4,500
Interest on loans and overdrafts	948,441	916,809	441,331	527,065
15. Tax expense				
15.1 Per profit and loss account				
Back duty assessment liabilities:				
Income tax	108,870	-	108,870	-
Educational tax	33,894	-	33,894	-
Income tax payable on results for the year:				
Income tax	300,479	140,159	53,041	45,257
Education tax	-	909	-	909
Police Trust Fund	-	-	-	-
Under/(over) provision in prior years:	-	-	-	-
Income tax	-	-	-	-
Education tax	-	-	-	-
	443,242	141,068	195,804	46,166
Deferred tax charge/(write-back)(Note 15.2)	(67,592)	(135,904)	(67,592)	(135,904)
	375,650	5,164	128,212	(89,738)

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	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
15.1 Per statement of financial position				
At 1 April 2025				
Income tax	220,618	216,962	125,343	79,177
Education tax	-	-	-	-
Capital gain tax	-	-	-	-
	220,618	216,962	125,343	79,177
Payments during the year:				
Income tax	(42,510)	(42,510)	(6,348)	-
Back duty assessment liabilities	142,763	-	142,763	-
Provision for the year:				
Income tax	53,041	45,257	53,041	45,257
Education tax	-	909	-	909
Police Trust Fund	-	-	-	-
under provision in prior years:	118,732			
Income tax	-	-	-	-
Education tax	-	-	-	-
At 31 March 2026	492,644	220,618	314,799	125,343

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:

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
Profit/(loss) before tax	657,521	(2,571,802)	(44,710)	(25,912)
Tax at the statutory corporation tax rate of 30%	197,256	(771,540)	(13,413)	(7,774)
Effect of income that is exempt from taxation	(97,525)	(97,525)	(97,525)	(97,525)
Effect of expenses that are not deductible in determining taxable profit	186,396	859,893	149,627	1,225
Loss unrelieved	102,184	102,184	102,184	102,184
Balancing charge	1,890	1,890	1,890	1,890
Income tax charged	53,041	46,166	53,041	46,166
Deferred tax write-back (Note 15.2)	(67,592)	(135,904)	(67,592)	(135,904)
Tax expense/(write back) recognised in profit or loss	375,650	5,164	128,212	(89,738)
Effective rate	57%	0%	-287%	346%

The tax rate used for 2026 and 2025 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 2026. The charge for taxation in these financial statements is based on the provisions of the Company Income Tax Act, CAP C21 LFN, 2004.

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

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
15.2 Deferred taxation				
Movement in deferred tax				
Deferred tax liabilities				
At 1 April	574,293	457,466	511,174	418,194
Charge in the year recognised in profit or loss	(67,592)	(135,904)	(67,592)	(135,904)
Reclassified from assets (Note 15.2.1)	(499,411)	(499,411)	-	(523,385)
Deferred tax on revaluation gain (Note 29)	-	752,269	-	752,269
At 31 March	(203,496)	574,293	443,582	511,174
15.3.1 Deferred tax assets				
At 1 April	(499,411)	(499,411)	(523,385)	(523,385)
Reclassified to liabilities (Note 14.2)	499,411	499,411	523,385	523,385
Adjustment	-	-	-	-
write-back to profit or loss	-	-	-	-
At 31 March	766,609	-	-	-
Net deferred tax liabilities/(assets)	563,113	574,293	443,582	511,174

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16. Property, plant and equipment - Group

	Leasehold lands N'000	Buildings N'000	Furniture, fittings & tools N'000	Motor vehicles N'000	Plant & machinery N'000	Office equipment N'000	Total N'000
Cost/valuation							
At 1 April 2024	2,754,285	3,950,517	263,556	182,222	2,842,859	190,546	10,316,143
Additions	-	-	4,833	1,573	187,844	15,759	210,009
Disposals	-	-	(276)	(9,245)	(1,995)	(103)	(11,619)
Revaluation surplus	4,237,985	3,284,706	-	-	-	-	7,522,691
At 31 March 2025	6,992,270	7,235,223	268,113	174,550	3,028,708	206,202	18,037,224
At 1 April 2025	6,992,270	7,235,223	268,113	174,550	3,028,708	206,202	18,037,224
Additions	-	-	10,444	28,500	66,566	18,504	124,014
Reclassification e	(5,658,171)	(5,854,770)	-	-	-	-	(11,512,941)
Disposals	-	-	(3,898)	(5,315)	(110,695)	(1,135)	(121,043)
At 31 March 2026	1,334,099	1,380,453	274,659	197,735	2,984,579	223,571	6,527,254
Accumulated depreciation and impairment							
At 1 April 2024	-	121,614	247,145	153,772	1,848,285	172,356	2,543,172
Charge for the year	-	79,011	2,977	6,536	138,288	6,145	232,957
Disposals	-	-	(276)	(8,337)	(1,995)	(103)	(10,711)
At 31 March 2025	-	200,625	249,846	151,971	1,984,578	178,398	2,765,419
At 1 April 2025	-	200,625	249,846	151,971	1,984,578	178,398	2,765,419
Charge for the year	-	144,705	13,067	12,013	142,100	7,423	319,308
Reclassification e	-	(279,442)	-	-	-	-	(279,442)
Disposals	-	-	(3,898)	(3,614)	(110,695)	(1,135)	(119,342)
At 31 March 2026	-	65,888	259,015	160,370	2,015,983	184,686	2,685,943
Carrying amount as at 31 March 2026	1,334,099	1,314,565	15,644	37,365	968,596	38,885	3,841,311
31 March 2025	6,992,270	7,034,598	18,267	22,579	1,044,131	27,804	15,271,805

a) Land and buildings of the Company were revalued on 21st March 2025 by Messrs. Segun Obafemi Co., Chartered, Estate Surveyors and Valuers with FRC Number FRC/2021/00000014058. The open market value of the land and buildings was put at N14,026,868,911 (Land N6,992,270 and Building N7,034,598,911) while the forced sale value was N9,350,310,816 (Land N4,661,047,182 and Building N4,689,263,634). The surplus of N7,522,691,000 arising from the revaluation was credited to the revaluation reserve. Subsequent additions are stated at cost.

b). No impairment was charged during the year

c). Depreciation charged has been debited to administrative expenses

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

e). Reclassification represents amount transfer to investment property. The tenant is occupying significant portion of the Land and Building

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

	Group		Company	
	2026 N'000	2025 N'000	2026 N'000	2025 N'000
Cost of sales	146,200	128,422	-	-
Administrative expenses	173,108	104,535	158,719	91,990
	319,308	232,957	158,719	91,990

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16.1 Property, plant and equipment - Company

	Leasehold lands N'000	Buildings N'000	Furniture & fittings N'000	Motor vehicles N'000	Plant & machinery N'000	Office equipment N'000	Total N'000
Cost/valuation							
At 1 April 2024	2,754,285	3,950,518	208,429	80,009	677,284	138,639	7,809,164
Additions			1,210	1,573	-	4,818	7,601
Disposals			(276)	(8,337)	(1,995)	(103)	(10,711)
Revaluation Surplus	4,237,985	3,284,706					7,522,691
At 31 March 2025	6,992,270	7,235,224	209,363	73,245	675,289	143,354	15,328,745
At 1 April 2025	6,992,270	7,235,224	209,363	73,245	675,289	143,354	15,328,745
Additions	-	-	769	9,500	-	11,035	21,304
Reclassification e	(5,658,171)	(5,854,770)	-	-	-	-	(11,512,941)
Disposals	-	-	(1,633)	(315)	(20,303)	-	(22,251)
At 31 March 2026	1,334,099	1,380,454	208,499	82,430	654,986	154,389	3,814,856
Accumulated depreciation and impairment							
At 1 April 2024	-	121,614	196,412	80,010	646,230	129,848	1,174,114
Charge for the year	-	79,011	2,277	130	8,017	2,535	91,970
On disposals	-	-	(276)	(8,337)	(1,995)	(103)	(10,711)
At 31 March 2025	-	200,625	198,413	71,803	652,252	132,280	1,255,373
At 1 April 2025	-	200,625	198,413	71,803	652,252	132,280	1,255,373
Charge for the year	-	144,705	2,192	2,767	4,809	4,245	158,719
Reclassification e	-	(279,442)	-	-	-	-	(279,441)
Disposals	-	-	(1,633)	(314)	(20,303)	-	(22,250)
At 31 March 2026	-	65,888	198,972	74,256	636,758	136,525	1,112,401
Carrying amount as at 31 March 2026	1,334,099	1,314,566	9,527	8,174	18,228	17,864	2,702,455
31 March 2025	6,992,270	7,034,599	10,950	1,441.90	23,037	11,074	14,073,372

a) Land and buildings of the Company were revalued on 21st March 2025 by Messrs Segun Obafemi Co., Chartered, Estate Surveyors and Valuers with FRC Number FRC/2021/00000014058. The open market value of the land and buildings was put at N14,026,868,911 (Land N6,992,270 and Building N7,034,598,911) while the forced sale value was N9,350,310,816 (Land N4,661,047,182 and Building N4,689,263,634). The surplus of N7,522,691,000 arising from the revaluation was credited to the revaluation reserve. Subsequent additions are stated at cost.

b). No impairment was charged during the year.

c). Depreciation charged has been debited to administrative expenses.

d). There is no other contractual commitments for the purchase of items of property, plant and equipment. This reclassification is warranted on the basis that the Company does not occupy a substantial portion of the total property area; a significant part of the premises is leased to third-party tenants and held for capital appreciation or rental income, which satisfies the definition of Investment Property under IAS 40.

e). Reclassification represents amount transfer to investment property. The tenant is occupying significant portion of the Land and Building.

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	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
17. Investment in related companies				
Investment in subsidiaries				
Dynamic Industries Limited	-	-	70,277	70,277
United Technical and Allied Services Limited	-	-	10,000	10,000
Chellarams DMK Limited	-	-	6,519	6,519
	<u>-</u>	<u>-</u>	<u>86,796</u>	<u>86,796</u>
Impairment allowance on investment in subsidiaries (Note 16.1)	-	-	(76,795)	(76,795)
	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
17.1 Movement in impairment allowance				
At 1 April 2025	-	-	(76,796)	(6,519)
Charge in the year (Note 12.1)	-	-	-	(70,277)
At 31 March 2026	<u>-</u>	<u>-</u>	<u>(76,796)</u>	<u>(76,796)</u>

17.2 Composition of the Group

Name of the Subsidiary	Country of incorporation and principal place of business	Principal Activities	Proportion of ownership Interest held by the Group	
			2026	2025
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%

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

17. Condensed results of consolidated entities 31 March 2026

17.1 Condensed statement of profit or loss and other comprehensive income

	Parent - Chellarams Plc N'000	Utas Ltd N'000	Dynamic Ltd N'000	CDMK Ltd N'000	Total N'000	Elimination N'000	Group N'000
Revenue	9,855,568	4,569,602	11,556,336	-	25,981,506		25,981,506
Cost of sales	<u>(9,377,564)</u>	<u>(3,687,432)</u>	<u>(10,316,878)</u>	-	<u>(23,381,873)</u>		<u>(23,381,873)</u>
Gross profit	478,005	882,170	1,239,458	-	2,599,633	-	2,599,633
Other operating income	769,974	3,004	107	-	773,085	-	773,085
Selling and distribution expenses	(69,162)	(161,975)	(199,035)	-	(430,172)	-	(430,172)
Administrative expenses	<u>(1,487,149)</u>	<u>(409,041)</u>	<u>(330,156)</u>	<u>(17,741)</u>	<u>(2,244,087)</u>	-	<u>(2,244,087)</u>
Profit/(loss) from operating activities	(308,332)	314,158	710,374	(17,741)	698,459	-	698,459
Finance costs	(441,331)	(24,340)	(482,769)	(1)	(948,441)	-	(948,441)
Net exchange loss	<u>704,953</u>	-	-	<u>202,549</u>	<u>907,502</u>	-	<u>907,502</u>
(Loss) before taxation	(44,710)	289,818	227,605	184,807	657,521	-	657,521
Income tax expenses	<u>(128,212)</u>	<u>(173,019)</u>	<u>(74,419)</u>	-	<u>(375,650)</u>	-	<u>(375,650)</u>
(Loss)/profit for the year	<u>(172,921)</u>	<u>116,799</u>	<u>153,186</u>	<u>184,807</u>	<u>281,871</u>	-	<u>281,871</u>
Other comprehensive income:							
Items that will be reclassified to profit or loss							
Revaluation gain net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	<u>(172,921)</u>	<u>116,799</u>	<u>153,186</u>	<u>184,807</u>	<u>281,871</u>	-	<u>281,871</u>
Profit/(loss) for the year attributable to:							
Owners of the parent	(172,921)	116,799	153,186	184,807	281,871	(82,195)	199,676
Non-controlling interest	-	-	-	-	-	82,195	82,195
Profit.(loss) for the year	<u>(172,921)</u>	<u>116,799</u>	<u>153,186</u>	<u>184,807</u>	<u>281,871</u>	-	<u>281,871</u>
Total comprehensive income attributable to:							
Owners of the parent	(172,921)	116,799	153,186	184,807	281,871	(82,195)	199,676
Non-controlling interest	-	-	-	-	-	82,195	82,195
Total comprehensive income/(loss) for the year	<u>(172,921)</u>	<u>116,799</u>	<u>153,186</u>	<u>184,807</u>	<u>281,871</u>	-	<u>281,871</u>

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17.4 Condensed statement of financial position

	Parent - Chellarams Plc N'000	Utas Ltd N'000	Dynamic Ltd N'000	CDMK Ltd N'000	Total N'000	Elimination N'000	Group N'000
Non-current assets							
Property, plant and equipment	2,702,455	31,099	1,107,755	-	3,841,311	-	3,841,311
Investment in subsidiaries	10,000	-	-	-	10,000	(10,000)	-
Investment property	11,233,499	-	-	-	11,233,499	-	11,233,499
Financial assets at amortised cost	148,019	-	-	-	148,019	(148,019)	-
Deferred tax assets	-	-	-	-	-	-	-
Total Non-Current Assets	14,093,973	31,099	1,107,755	-	15,232,829	(158,019)	15,074,810
Current assets							
Inventory	1,650,758	781,054	990,009	-	3,421,821	-	3,421,821
Trade receivables	400,548	597,348	1,595,622	-	2,593,518	-	2,593,518
Other current asset	565,951	225,142	16,907	4,458	812,459	855,156	1,667,615
Due from related parties	167,137	461,173	7,946	-	636,256	(507,687)	128,569
Cash and cash equivalents	36,215	62,802	125,730	10,193	234,940	-	234,940
	2,820,609	2,127,519	2,736,214	14,651	7,698,994	347,469	8,046,463
Current liabilities							
Short term borrowings	-	-	1,803,000	-	1,803,000	-	1,803,000
Trade and other payables	5,330,988	1,005,731	2,413,156	2,303,691	11,053,569	480,653	11,534,223
Due to related parties	591,658	-	126,148	3,347,648	4,065,454	(988,340)	3,077,114
Taxation	314,799	103,426	74,419	-	492,644	-	492,644
	6,237,445	1,109,157	4,416,723	5,651,339	17,414,667	(507,687)	16,906,981
Net current (liabilities)/assets	(3,416,837)	1,018,362	(1,680,509)	(5,636,688)	(9,715,674)	855,156	(8,860,519)
Non-current liabilities							
Long term borrowings	1,639,137	-	121,667	-	1,760,804	-	1,760,804
Subordinated/ promoter's loan	1,310,791	-	-	-	1,310,791	-	1,310,791
Deferred tax	443,582	1,913	61,710	55,908	563,113	-	563,113
Net employee defined benefits	-	272	1,819	-	2,091	-	2,091
	3,393,510	2,185	185,196	55,908	3,636,799	-	3,636,799
Net assets	7,283,626	1,047,276	(757,950)	(5,692,596)	1,880,359	697,137	2,577,494
Equity							
Share capital	361,463	10,000	90,437	8,809	470,708	(109,245)	361,463
Preference shares	-	-	180,874	-	180,874	(180,874)	-
Revaluation reserve	13,179,826	-	-	-	13,179,826	-	13,179,827
Accumulated losses	(6,257,661)	1,037,276	(1,029,261)	(5,701,405)	(11,951,049)	2,639,256	(9,311,791)
	7,283,629	1,047,276	(757,950)	(5,692,596)	1,880,359	2,349,137	4,229,499
Non controlling interest	-	-	-	-	-	(1,652,001)	(1,652,004)
Total equity	7,283,629	1,047,276	(757,950)	(5,692,596)	1,880,359	697,136	2,577,494

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17.5 Condensed statement of profit or loss and
other comprehensive income

	Parent - Chellarams Plc N'000	Utas Ltd N'000	Dynamic Ltd N'000	CDMK Ltd N'000	Total N'000	Elimination N'000	Group N'000
Revenue	9,003,068	4,077,626	10,019,101	-	23,099,795	-	23,099,795
Cost of sales	<u>(8,329,846)</u>	<u>(3,478,280)</u>	<u>(9,713,722)</u>	<u>-</u>	<u>(21,521,849)</u>	<u>-</u>	<u>(21,521,848)</u>
Gross profit/(loss)	673,222	599,346	305,379	-	1,577,946	-	1,577,947
Other operating income	712,001	1,326	-	-	713,327	-	713,327
Selling and distribution expenses	(50,597)	(86,848)	(158,961)	-	(296,406)	-	(296,406)
Administrative expenses	<u>(930,999)</u>	<u>(363,133)</u>	<u>(272,049)</u>	<u>(3,847)</u>	<u>(1,570,028)</u>	<u>-</u>	<u>(1,570,028)</u>
Profit/(loss) from operating activities	403,627	150,691	(125,632)	(3,847)	424,839	-	424,838
Finance costs	<u>(527,065)</u>	<u>(20,032)</u>	<u>(369,711)</u>	<u>-</u>	<u>(916,809)</u>	<u>-</u>	<u>(916,809)</u>
Net exchange loss	<u>97,525</u>	<u>-</u>	<u>-</u>	<u>(2,177,356)</u>	<u>(2,079,831)</u>	<u>-</u>	<u>(2,079,831)</u>
Profit/(loss) before taxation	(25,912)	130,659	(495,353)	(2,181,205)	(2,571,814)	-	(2,571,802)
Income tax expenses	<u>89,738</u>	<u>(44,806)</u>	<u>(50,086)</u>	<u>-</u>	<u>(5,164)</u>	<u>-</u>	<u>(5,164)</u>
Profit/(loss) for the year	<u>63,825</u>	<u>85,853</u>	<u>(545,439)</u>	<u>(2,181,205)</u>	<u>(2,576,966)</u>	<u>-</u>	<u>(2,576,966)</u>
Other comprehensive income:							
Items that will be reclassified to profit or loss							
Revaluation gain net of tax	<u>6,770,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,770,422</u>	<u>-</u>	<u>6,770,422</u>
Total comprehensive income for the year	<u>6,834,247</u>	<u>85,853</u>	<u>(545,439)</u>	<u>(2,181,205)</u>	<u>4,193,456</u>	<u>-</u>	<u>4,193,456</u>
Profit for the year attributable to:							
Owners of the parent	6,834,247	85,853	(545,439)	(2,181,205)	4,193,456	686,451	4,879,907
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(686,451)</u>	<u>(686,451)</u>
Profit/(loss) for the year	<u>6,834,247</u>	<u>85,853</u>	<u>(545,439)</u>	<u>(2,181,205)</u>	<u>4,193,456</u>	<u>-</u>	<u>4,193,456</u>
Total comprehensive income attributable to:							
Owners of the parent	6,834,247	85,853	(545,439)	(2,181,205)	4,193,456	686,451	4,879,907
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(686,451)</u>	<u>(686,451)</u>
Total comprehensive income/(loss) for the year	<u>6,834,247</u>	<u>85,853</u>	<u>(545,439)</u>	<u>(2,181,205)</u>	<u>4,193,456</u>	<u>-</u>	<u>4,193,456</u>

CHELLARAMS PLC

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17.6 Condensed statement of financial position

	Parent - Chellarams Plc N'000	Utas Ltd N'000	Dynamic Ltd N'000	CDMK Ltd N'000	Total N'000	Elimination N'000	Group N'000
Non-current assets							
Property, plant and equipment	14,073,371	9,653	1,178,824	9,956	15,271,805	-	15,271,805
Investment in subsidiaries	10,000	-	-	-	10,000	(10,000)	-
Investments in associate	-	-	-	-	-	-	-
Financial assets at amortised cost	148,019	-	-	-	148,019	(148,019)	-
Deferred tax asset	-	-	-	-	-	-	-
Total Non-Current Assets	14,231,391	9,653	1,178,824	9,956	15,429,825	(158,019)	15,271,805
Current assets							
Inventory	1,214,716	661,002	853,352	-	2,729,070	-	2,729,070
Trade receivables	187,207	281,864	1,242,603	-	1,711,675	-	1,711,675
Other current asset	466,545	205,175	32,234	4,458	708,412	-	708,412
Due from related parties	59,579	2,536,661	-	-	2,596,240	(202,169)	2,394,071
Cash and cash equivalents	281,940	89,856	107,688	10,852	490,336	-	490,336
	2,209,987	3,774,558	2,235,877	15,310	8,235,733	(202,169)	8,033,564
Current liabilities							
Short term borrowings	-	2,100,000	1,361,659	-	3,461,659	-	3,461,659
Trade and other payables	4,639,995	706,369	2,553,801	2,383,047	10,283,213	1,071,026	11,354,239
Due to related parties	253,115	-	75,745	3,450,642	3,779,502	(2,058,867)	1,720,635
Current tax liabilities	125,343	45,180	50,096	-	220,618	-	220,618
	5,018,453	2,851,549	4,041,301	5,833,689	17,744,992	(987,841)	16,757,150
Net current assets/(liabilities)	(2,808,466)	923,009	(1,805,424)	(5,818,379)	(9,509,259)	785,672	(8,723,587)
Non-current liabilities							
Long term borrowings	2,144,411	-	219,657	-	2,364,068	-	2,364,068
Subordinated/ promoter's loan	1,310,791	-	-	-	1,310,791	-	1,310,791
Deferred taxation	511,174	1,693	61,710	68,980	643,557	(69,264)	574,293
Net employee defined benefits	-	272	3,169	-	3,441	-	3,441
	3,966,376	1,965	284,536	68,980	4,321,857	(69,264)	4,252,593
Net assets	7,456,550	930,697	(911,136)	(5,877,403)	1,598,709	696,917	2,295,623
Equity							
Share capital	361,463	10,000	90,437	8,809	470,708	(109,245)	361,463
Preference shares	-	-	180,874	-	180,874	(180,874)	-
Revaluation reserve	13,179,826	-	-	-	13,179,826	-	13,179,826
Accumulated losses	(6,084,739)	920,697	(1,182,447)	(5,886,212)	(12,232,699)	2,721,232	(9,511,467)
	7,456,550	930,697	(911,136)	(5,877,403)	1,598,709	2,431,113	4,029,822
Non controlling interest	-	-	-	-	-	(1,734,199)	(1,734,199)
Total equity	7,456,550	930,697	(911,136)	(5,877,403)	1,598,709	696,914	2,295,623

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	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
18. Investment in associated companies				
Chellerams Retail Limited	60,000	60,000	60,000	60,000
Devyani International Nigeria Limited	106,250	106,250	106,250	106,250
Chellagric Limited	4,450	4,450	4,450	4,450
Isolo Power Gen. Limited	148,300	148,300	148,300	148,300
Chelltek Industries Limited	10,000	10,000	10,000	10,000
Chellco Industries Limited	137,000	137,000	137,000	137,000
	466,000	466,000	466,000	466,000
Impairment allowance for value of investment (Note 18.1)	(466,000)	(466,000)	(466,000)	(466,000)
Share of loss of associate companies	-	-	-	-
Net investment accounted for using equity method	-	-	-	-
18.1. Movement of impairment allowance				
At 1 April	466,000	466,000	466,000	466,000
Impairment losses for the year	-	-	-	-
At 31 March	466,000	466,000	466,000	466,000
19. Financial assets at amortised cost				
12% Cumulative redeemable preference share	-	-	148,019	148,019
19.1 This represents the company's investment of 12% cumulative redeemable preference shares of N2.00 per share in Dynamic Industries Nigeria Limited.				
20. Investment Property				
Cost	Land	Building	Total	
	N'000	N'000	N'000	
At 1 April	-	-	-	
Reclassified from property, plant and equipment	5,658,171	5,854,770	11,512,941	
At 31 March	5,658,171	5,854,770	11,512,941	
Accumulated depreciation				
At 1 April	-	-	-	
Reclassified from property, plant and equipment	-	279,442	279,442	
At 31 March	-	279,442	279,442	
Carrying amount at 31 March	5,658,171	5,575,328	11,233,499	

In accordance with IAS 16 (Property, Plant and Equipment) and IAS 40 (Investment Property), management has determined that it is necessary to reclassify a portion of the Land and Building from Property, Plant and Equipment (PPE) to Investment Property. This reclassification is necessary because the Company is not occupying a substantial portion of the total property area; a significant part of the premises is leased to third-party tenants and held for capital appreciation or rental income, which satisfies the definition of Investment Property under IAS 40.

This investment property comprises the Company's land and building at Isolo Industrial Estate. The property is made up of 42,320 square meters from which a total of 34,245.5 square meters of offices space were leased to third party on behalf of the Company.

Rental income generated from investment property recognised in the income statement during the year was N713.5 million (2025: N673.6 million), and advance rent received in respect of the investment property during the year was N646.4 covering up to 2027 financial year-end. In the opinion of the director, the fair valuation of the investment property is estimated to be N11.233 billion.

CHELLARAMS PLC

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	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000

21. Inventories

Items in trade	3,421,821	2,729,070	1,650,758	1,214,716
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21.1 Inventories to the value of Group N3.422 billion (2025: N2.729 billion) and Company N1.651 billion (2025 : N1.214 billion) are carried at net realisable value. The amount charged to statement of comprehensive income in respect of write down of inventory to net realisable value for the Group is Nil (2025: Nil) and for Company is Nil (2025: Nil).

22. Trade receivables

Trade receivables	2,638,873	1,765,696	434,637	229,963
Allowance for doubtful debts (Note 22.1)	(45,355)	(54,022)	(34,089)	(42,756)
Total trade receivables - net	2,593,518	1,711,674	400,548	187,207

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

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000

22.1 Movement in impairment allowance for trade receivables

At 1 April	54,022	62,517	42,756	32,954
Bad debts written off	(21,899)	(16,990)	(21,899)	-
Provision during the year (Note 11.1)	13,232	8,495	13,232	9,802
At 31 March	45,355	54,022	34,089	42,756

21.2 The age analysis of trade receivables is as follows:

Past due < 30days	697,604	697,604	251,737	197,059
Past due 31-60 days	457,497	457,497	140,000	-
Past due 61-90 days	464,406	342,894	-	-
Past due 91-120 days	677,230	226,243	-	-
Past due 120 days and above	342,136	41,458	42,900	32,903
	2,638,873	1,765,696	434,637	229,962

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	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
23. Other current assets				
Prepayments - current portion (Note 23.2)	285,062	285,150	43,094	47,822
Staff receivables	10,505	14,292	10,159	13,946
Sundry receivables	1,894	12,884	1,894	1,894
Withholding tax credit note received	304,646	223,250	296,272	214,876
Withholding receivable	108,204	103,221	105,935	103,221
Container deposit	5,783	4,949	5,783	4,949
Insurance Claim Receivable	105	105	105	105
Deposit for assets (Note 23.3)	53,368	53,368	53,368	53,368
Other debit balance	855,157	5,464	-	5,464
Debit balance in trade payable	97,802	74,825	97,802	74,825
Share application	9,072	9,072	9,072	9,072
ITF Recoverable	3,287	3,287	3,182	3,182
	<u>1,734,885</u>	<u>789,866</u>	<u>626,666</u>	<u>532,723</u>
Impairment allowance on other current assets(Note 23.1)	(67,270)	(81,455)	(60,715)	(66,179)
	<u>1,667,615</u>	<u>708,411</u>	<u>565,951</u>	<u>466,544</u>
23.1 Movement in impairment allowance for other current assets				
At 1 April	81,455	76,406	66,179	69,609
Bad debts written-off	(5,464)	(3,430)	(5,464)	(3,430)
Provision during the year (Note 11.1.)	(8,721)	8,479	-	-
At 31 March	<u>67,270</u>	<u>81,455</u>	<u>60,715</u>	<u>66,179</u>
23.2 Prepayments				
Prepaid rent	14,793	37,647	134	147
Prepaid customs duty	29,626	43,259	29,626	43,259
Prepaid - CIT (WHT receipts on hand)	214,673	182,015	-	-
Prepaid general insurance	25,970	22,230	13,334	4,417
Total prepayments	<u>285,062</u>	<u>285,150</u>	<u>43,094</u>	<u>47,822</u>
Non current portion	-	-	-	-
Current portion	<u>285,062</u>	<u>285,150</u>	<u>43,094</u>	<u>47,822</u>
	<u>285,062</u>	<u>285,150</u>	<u>43,094</u>	<u>47,822</u>
23.2.1 This represent advance payment for residential property.				
24. Due from related parties				
Receivables from subsidiary companies (Note 24.1)	-	13,463	38,568	10,199
Receivables from associated companies (Note 23.2)	128,569	2,380,608	128,569	49,380
	<u>128,569</u>	<u>2,394,071</u>	<u>167,137</u>	<u>59,579</u>
24.1 Amount due from related parties				
Chellarams DMK	1,392,048	1,114,338	930,875	912,169
Dynamics	-	13,463	38,568	10,199
	<u>1,392,048</u>	<u>1,127,801</u>	<u>969,443</u>	<u>922,368</u>
Impairment allowance (Note 24.2)	(930,875)	(912,169)	(930,875)	(912,169)
	<u>461,173</u>	<u>215,632</u>	<u>38,568</u>	<u>10,199</u>

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
24.2. Movement in impairment allowance for receivables from subsidiary company				
At 1 April	912,169	911,576	912,169	911,576
Additional during the year (Note 11.1)	18,706	593	18,706	593
At 31 March	930,875	912,169	930,875	912,169
Amount due from associated Companies				
Chellarams Retail Limited	268,529	268,529	268,529	268,529
Chellarams Investments Limited	81,463	81,433	81,463	81,433
Chellagric Industries Limited	49,864	49,215	49,864	49,215
Chelltek Industries Limited	57,769	57,719	57,769	57,719
Devayani International (Nigeria) Limited	1,807,025	1,757,434	1,807,025	1,757,434
Iso Power Gen. Limited	1,819,459	4,122,069	1,819,459	1,790,841
Others	10,672	10,421	10,672	10,421
	4,094,782	6,346,820	4,094,782	4,015,593
Impairment allowance (Note 24.3)	(3,966,213)	(3,966,213)	(3,966,213)	(3,966,213)
Amount due from associated companies	128,569	2,380,607	128,569	49,380
Net amount due from related companies	589,742	2,596,239	167,137	59,579
24.3. Movement in impairment allowance for receivables from associated companies				
At 1 April	3,953,143	3,953,143	3,953,143	3,953,143
Impairment charged (Note 11.1)	-	-	13,070	-
At 31 March	3,953,143	3,953,143	3,966,213	3,953,143
25. Cash and cash equivalents				
Cash balances	500	255	212	212
Bank balances	234,440	490,081	36,003	281,728
	234,940	490,336	36,215	281,940

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
25.1 Cash and cash equivalent per statement of cash flows				
Cash and bank balances (Note 25)	234,940	490,336	36,215	281,940
Bank overdraft (Note 26.1)	-	(326)	-	-
Cash and cash equivalent as per cash flows	234,940	490,010	36,215	281,940
26. Borrowings				
26.1 Short term borrowings				
Bank overdrafts	-	326	-	-
Bank import finance	-	-	-	-
	-	326	-	-
Short term loans due within one year	1,803,000	3,461,333	-	-
	1,803,000	3,461,659	-	-

The Group had short term facilities with the following:

b). First City Monument Bank (FCMB)

Term Loan

Amount

N1.730 billion

Purpose

As the company working capital requirements increased due to the volume expansion and price increase of raw materials additional working capital was obtained for N 575Million from FCMB in various tranches throughout the year to support company local purchase transaction. Average Interest rate is at 26% per annum, of various tenures.

c). Bank of Industries (BOI)

Facility type 1

Working Capital Loan

Amount

N365 million

Purpose

An amount of N365 million was obtained from Bank of Industry. The purpose is for the acquisition of plant and machinery, including bag making machine, heat exchanger system, filter, etc. Interest rate is 9% per annum. Tenor is 6 years including 12 months moratorium. The outstanding balance as at 31 March 2026 is N194.67 million.

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
26.2. Long term borrowings				
Term loans:				
Loan from related party	2,364,068	2,144,411	2,144,411	2,144,411
Loans from Financial institutions	-	219,657	-	-
Repayment of principal and interest	<u>(603,263)</u>	<u>-</u>	<u>(505,274)</u>	<u>-</u>
Total	<u>1,760,804</u>	<u>2,364,068</u>	<u>1,639,137</u>	<u>2,144,411</u>
26.3 Borrowings analysis by maturity				
Amount due within one year	1,803,000	3,461,333	-	-
Amount due after one year	<u>1,760,804</u>	<u>2,364,068</u>	<u>1,639,137</u>	<u>2,144,411</u>
	<u>3,563,804</u>	<u>5,825,401</u>	<u>1,639,137</u>	<u>2,144,411</u>
26.4. The movement in long term loan is as follows:				
At 1 April	5,825,401	5,710,340	2,144,411	2,536,340
Repayments	(2,720,500)	(3,504,939)	(940,500)	(391,929)
Interest accrued	458,904	-	435,226	-
Additions during the year	<u>-</u>	<u>3,620,000</u>	<u>-</u>	<u>-</u>
At 31 March	<u>3,563,804</u>	<u>5,825,401</u>	<u>1,639,137</u>	<u>2,144,411</u>

Related party borrowings - Chellco Industries Limited

During the year ended 31st Mar 2023, Chellco Industries Ltd , an associated company advanced the sum of N2,992,540,072 to Chellarams Plc to settle its loan obligations with some bank. The balance at year end is N 1.6 billion prior year N 2.1 billion. The terms of the loans are detailed below:

- Tenor of 4 years commencing from 1 April, 2023 subject to mutually agreed extensions by the parties.
- Fixed interest rate of 14% per annum except the rate is mutually adjusted by both parties, provided always that Chellco may wave the agreed 14% interest rate at its discretion. However this interest was reviewed upwards to 20% as at February 2024 and again reviewed upward to 23% at May 2024.

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
26.5. Subordinated loan/promoter's loan				
At 31 March	<u>1,310,791</u>	<u>1,310,791</u>	<u>1,310,791</u>	<u>1,310,791</u>

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

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
27. Trade and other payables				
Trade payables	9,401,910	10,393,822	4,017,061	3,899,559
Other payables and accruals (Note 27.1)	2,132,312	960,417	1,313,927	740,436
Total trade and other payables	11,534,222	11,354,239	5,330,988	4,639,995

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

27.1 Other payables and accruals

Advances from customers	1,145,502	221,522	379,701	51,307
Rent received in advance	646,433	463,870	646,433	463,870
Unclaimed dividend	4,850	15,065	4,850	15,065
Staff payables	13	13	13	13
Withholding tax payable	42,708	10,851	33,942	2,127
VAT payable	157,467	106,151	126,577	75,261
Sundry payables (Note 27.1.2)	130,426	138,263	119,462	129,866
PAYE	1,755	1,755	-	-
Pension (Note 27.1.1)	3,159	2,926	2,950	2,926
	2,132,312	960,417	1,313,927	740,436

27.1.1 Post employment benefits:

Employee benefit obligation (Note 24(b))	1,732	1,732	1,732	1,732
Defined contribution pension plan	1,218	1,194	1,218	1,194
	2,950	2,926	2,950	2,926

27.1.1 Included in sundry payables are customer refund, accrued expenses, interest expenses and penal charges on back duty assessment liabilities accrued etc.

27.2 Employees benefits obligations:

At 1 April	6,367	8,825	2,926	2,926
Addition in the year	7,517	6,831	24	-
Payments during the year	(8,843)	(9,289)	-	-
At 31 March	5,041	6,367	2,950	2,926

27.3. Net defined benefits liabilities

	2,091	3,441	-	-
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28. Due to related parties

	3,077,114	1,720,635	591,658	253,115
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28.1 Due to related parties

UTAS Limited	179,727	-	174,483	202,169
Chellarams DMK (Note 28.1.1)	2,397,876	1,607,407	-	-
UTAS Ltd.- c/a	-	-	-	-
Dynamics	-	-	-	-
DMK MINNA F.Z.E	354,073	-	354,073	-
	2,931,676	1,607,407	528,556	202,169

28.1.1 This represent transaction with DMK Deutches Michkotor (Germany).

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
28.2 Due to associated companies				
Iso Power Gen. Limited	82,336	62,282	-	-
Chellco Industries Limited	-	-	-	-
Murli T. Chellarams Foundation	63,102	50,946	63,102	50,946
	<u>145,438</u>	<u>113,228</u>	<u>63,102</u>	<u>50,946</u>
29. Share capital				
Ordinary shares				
722,925,000 ordinary share of N0.50 each	<u>361,463</u>	<u>361,463</u>	<u>361,463</u>	<u>361,463</u>
30. Revaluation reserve				
At 1 April	13,179,826	6,409,404	13,179,826	6,409,404
Revaluation gain in the year (Note 15)	-	7,522,691	-	7,522,691
Deferred tax on revaluation gain (Note 14.2)	-	(752,269)	-	(752,269)
At 31 March	<u>13,179,826</u>	<u>13,179,826</u>	<u>13,179,826</u>	<u>13,179,826</u>
31. Revenue reserve				
At 1 April	(9,511,467)	(7,620,953)	(6,084,739)	(6,148,564)
Profit/(loss) for the year	199,676	(1,890,514)	(172,921)	63,825
At 31 March	<u>(9,311,791)</u>	<u>(9,511,467)</u>	<u>(6,257,660)</u>	<u>(6,084,739)</u>
32. Non controlling interest				
At 1 April	(1,734,199)	(1,047,745)	-	-
Share of loss for the prior year	-	(686,454)	-	-
Share of profit for the year	82,195	-	-	-
At 31 March	<u>(1,652,004)</u>	<u>(1,734,199)</u>	<u>-</u>	<u>-</u>
33. Basic earnings/(loss) per ordinary share				
Basic loss per ordinary share of ₦ 0.5 each is calculated on the group's loss after taxation based on the number of shares in issue at the end of the year.				
33.1. Profit/(loss) for the year attributable to shareholders	<u>199,676</u>	<u>(1,890,514)</u>	<u>(172,921)</u>	<u>63,825</u>
33.2. Weighted average number of ordinary share in issue	<u>722,926</u>	<u>722,926</u>	<u>722,926</u>	<u>722,926</u>
33.3. Basic earnings/(loss) per share of ₦0.50k each (kobo)	<u>28</u>	<u>(262)</u>	<u>(24)</u>	<u>9</u>

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

34. Related Parties Disclosures

34.1 Transactions with related parties

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

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
Due from related parties (Note 23)	128,569	2,394,071	167,137	59,579
Due to related parties (Note 27)	3,077,114	1,720,635	591,658	253,115

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

Related party	Relationship	Nature of transactions	Value of goods and services supplied (by)/to the party	
			2026	2025
			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.	-	(260,917)
United Technical and Allied Services Limited	Subsidiary	Transactions in the year relate to both expenses paid and income generated from subsidiary, these have been eliminated on consolidation.	(27,686)	(53,998)
Chellarams Retail Limited	Associate	Transactions in the year relate to expenses paid by the company on its behalf.	-	147
Chellagric Industries Limited	Associate	Transactions in the year relate to expenses paid by the company on its behalf.	649	4,615
Murli T. Chellarams Foundation	Associate	Charities and donation carried out on behalf of the company	12,156	8,579
Devyani International (Nigeria) Limited	Associate	Sales of goods, loans granted, interest charged and expenses paid on behalf of the associate company.	49,590	(1,278)
Chellco Industries Limited	Associate	Transactions in the year relate to advances received from the associate.	-	-
Isolo Power Generator Limited	Associate	Transactions in the year relate to both expenses paid and income generated from the associate company.	28,619	40,272

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

34.3 Transactions with key management personnel

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

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

34.3.1. Key management personnel

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

Chief Suresh M. Chellaram
Mr. Aditya Suresh Chellaram

Managing Director
Chief Executive Officer

33.4.2 Remuneration of key management personnel

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

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
33.4.3 Directors				
The aggregate emoluments of the Directors were:				
Fees	6,000	10,500	-	4,500
Other emoluments including pension contributions	-	-	-	-
	<u>6,000</u>	<u>10,500</u>	<u>-</u>	<u>4,500</u>
33.4.4 Chairman	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Number	Number	Number	Number
Directors earned fees in the following ranges:				
N800,000 and above	<u>9</u>	<u>9</u>	<u>3</u>	<u>3</u>
33.4.5 Employees				
Staff numbers and costs:				
The average number of persons employed (excluding Directors) in the Company during the year were as follows:				
Management	21	21	10	10
Senior staff	41	40	14	13
Supervisory/junior staff	<u>81</u>	<u>85</u>	<u>25</u>	<u>25</u>
	<u>143</u>	<u>146</u>	<u>49</u>	<u>48</u>
	N'000	N'000	N'000	N'000
The aggregate payroll costs of these persons were as follows:				
Wages, salaries, allowances and other benefits	326,563	270,267	160,954	129,362
Pension and social benefits	<u>16,648</u>	<u>12,928</u>	<u>14,493</u>	<u>11,273</u>
	<u>343,210</u>	<u>283,194</u>	<u>175,447</u>	<u>140,635</u>

CHELLARAMS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Group		Company	
	2026	2025	2026	2025
	Number	Number	Number	Number
The table below shows the number of employees of the Company (other than Directors) who earned over N100,000 during the year and which fell within the bands stated below:				
Less than N1,000,000	6	22	2	6
N1,000,001 - N2,000,000	42	69	17	23
N2,000,001 - N3,000,000	55	29	12	12
N3,000,001 - N4,000,000	18	18	4	6
N4,000,001 - N5,000,000	12	-	7	1
N5,000,001 and above	10	8	7	-
	143	146	49	48

35 Contingent liabilities

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

36 Pending litigations

There are several ongoing legal actions against the Company arising out of its normal business operations amounting to N88.4 million (2025: N88.4 million). The Directors believe that, based on currently available information and advice of counsels, none of the outcomes from such proceedings will have material adverse effect on the financial position of the Company.

37. 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 at 31 March 2026 and on the profit for the year ended on that date, which have not been adequately provided for or disclosed in these financial statements.

38. Comparative figures

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

CHELLARAMS PLC

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

OTHER NATIONAL DISCLOSURES

CHELLARAMS PLC

CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH 2026

	Group				Company			
	2026 N'000	%	2025 N'000	%	2026 N'000	%	2025 N'000	%
Revenue	25,981,506		23,099,795		9,855,568		9,003,068	
Other income	<u>773,085</u>		<u>713,327</u>		<u>769,974</u>		<u>712,001</u>	
	26,754,591		23,813,120		10,625,542		9,715,067	
Bought in materials and services:-								
- Imported	(24,486,112)		(25,235,477)		(9,894,755)		(8,845,382)	
- Local	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
Value added/(eroded)	<u>2,268,479</u>	100	<u>(1,422,357)</u>	100	<u>730,788</u>	100	<u>869,685</u>	100
Applied as follows:								
To pay employees:								
Employees' wages, salaries and other benefits	343,210	16	283,194	20	175,447	24	140,635	16
To pay Government:								
Taxation	443,242	20	141,068	10	195,804	27	46,166	5
To pay providers of capital:								
Finance costs	948,441	42	916,809	64	441,331	60	527,065	61
To provide for replacement of assets and growth:								
- Depreciation of property, plant and equipment	319,308	14	232,957	16	158,719	22	91,992	11
Deferred tax charged/(write back)	(67,592)	(3)	(419,421)	(29)	(67,592)	(9)	-	-
- Profit/(loss) account	199,676	9	(1,890,514)	(133)	(172,921)	(24)	63,826	7
Non controlling interest	<u>82,195</u>	<u>4</u>	<u>(686,451)</u>	<u>(48)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Value added/(eroded)	<u>2,268,479</u>	100	<u>(1,422,357)</u>	(100)	<u>730,788</u>	100	<u>869,685</u>	100

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

CHELLARAMS PLC

CONSOLIDATED FINANCIAL SUMMARY

31 MARCH	2026	2025	2024	2023	2022
	N'000	N'000	N'000	N'000	N'000

Group

Statement of financial position

Non current assets	15,074,810	15,271,805	7,814,916	7,107,605	7,119,763
Net current liabilities	(8,860,517)	(8,723,589)	(3,464,616)	(572,915)	(7,144,399)
Non current liabilities	(3,636,799)	(4,252,593)	(6,248,131)	(5,429,563)	(3,789,523)
Net assets/(liabilities)	2,577,494	2,295,622	(1,897,831)	1,105,127	(3,814,160)

Capital and reserves

Share capital	361,463	361,463	361,463	361,463	361,463
Revaluation reserve	13,179,827	13,179,827	6,409,404	6,409,404	6,409,404
Revenue reserve	(9,311,791)	(9,511,468)	(7,620,953)	(5,112,761)	(10,085,824)
Total equity attributable to owners of the Company	4,229,498	4,029,822	(850,087)	1,658,106	(3,314,957)
Non-controlling interest	(1,652,004)	(1,734,199)	(1,047,745)	(552,979)	(499,203)
Total equity	2,577,494	2,295,623	(1,897,833)	1,105,128	(3,814,160)

Statement of profit or loss

Turnover	25,981,506	23,099,795	13,779,529	10,598,825	9,680,395
Profit/(loss) before taxation	657,521	(2,571,801)	(3,215,189)	5,070,676	1,155,936
Taxation	(375,650)	(5,164)	212,230	(151,390)	(273,721)
(Loss)/Profit for the year	281,871	(2,576,966)	(3,002,959)	4,919,286	882,215
Non controlling interest	(82,195)	686,451	494,767	53,777	(67,527)
Owners of the parents	199,676	(1,890,514)	(2,508,192)	4,973,063	814,688

Per share data (kobo):

Earning/(loss) per share	28	(262)	(347)	688	113
Dividend per share	-	-	-	-	-
Net assets/(liabilities) per share (kobo)	357	318	(263)	153	(528)

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

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

CHELLARAMS PLC

SEPARATE FINANCIAL SUMMARY

31 MARCH

	2026	2025	2024	2023	2022
	N'000	N'000	N'000	N'000	N'000
Company					

Statement of financial position

Non current assets	14,093,973	14,231,391	6,898,260	6,929,590	6,993,843
Net current liabilities	(3,416,835)	(2,808,466)	(2,428,826)	(566,888)	(6,672,020)
Non current liabilities	(3,393,510)	(3,966,376)	(3,847,131)	(4,616,118)	(3,615,301)
Net assets/(liabilities)	7,283,628	7,456,549	622,303	1,746,584	(3,293,479)

Capital and reserves

Share capital	361,463	361,463	361,463	361,463	361,463
Revaluation reserve	13,179,826	13,179,826	6,409,404	6,409,404	6,409,404
Revenue reserve	(6,257,661)	(6,084,740)	(6,148,564)	(5,024,283)	(10,064,346)
Total equity	7,283,628	7,456,549	622,303	1,746,584	(3,293,479)

Statement of profit or loss

Turnover	9,855,568	9,003,068	6,425,432	4,658,967	3,053,669
(Loss)/profit before taxation	(44,710)	(25,912)	(1,506,936)	5,148,780	536,305
Taxation	(128,212)	89,738	382,655	(108,718)	(71,146)
Profit/(loss) for the year	(172,921)	63,825	(1,124,281)	5,040,062	465,159

Dividend declared

	-	-	-	-	-
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Per share data (kobo):

Earning/(loss) per share	(23.92)	8.83	(155.52)	697.18	64.34
Net assets/(liabilities) per share (kobo)	1,008	1,031	242	(456)	(842)

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

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