الأنوار للإستثمارات ش م ع ع

Al Anwar Investments SAOG

ANNUAL REPORT

2022

His Majesty
Sultan Haitham bin Tarik

الأنوار للإستثمارات ش م ع ع
Al Anwar Investments SAOG

VISION

Vision Statement:

To achieve excellence and be a leader amongst the investment companies in the Middle East following the Private Equity model and delivering value to all the stakeholders

MISSION

Mission Statement:

Support, create and nurture successful entities which create and enhance long term value for the stakeholders through:

- Investing in companies with scalable, creative and sustainable Business Model.
- Enhancing Corporate Governance and ensuring adequate systems and procedures.
- Focusing on execution and operational excellence.

VALUES

Our Core Values:

- We respect the individuals
- We are honest in our communications
- We care for our community
- We act with integrity

الأنوار للإستثمارات شمعع

Al Anwar Investments SAOG

Annual report 2021 - 22

Registered office

P.O. Box: 468

Postal Code: 131

Al Hamriya

Sultanate of Oman

Principal Place of Business:

Villa No. 897, Way No. 3013

Shatti Al Qurum

Al Sarooj

Email : info@alanwar.om

Website : www.alanwar.om

CONTENT

Board of Directors	8
Executive Management	9
Directors' Report	10-14
Auditor's Report on Corporate Governance	15
Report on Corporate Governance	16-25
Managment Discussion and Analysis Report	26-32
Anditor's Report on the Financial Statement	33-37
Consolidated Statement of Financial Position	38
Consolidated Statement of Comprehensive Income	39
Consolidated Statement of Changes in Equity	40
Consolidated Statement of Cash Flows	41
Notes to Consolidated Financial Statements	42-66

BOARD OF DIRECTORS

Masoud Humaid Al Harthy
Chairman

Dr. Shabir Moosa Al Yousef
Deputy Chairman &
Chairman Nomination Remuneration
& Executive Committee

Abdulredha Mustafa Sultan
Director & Chairman Audit Committee

H.H. Sayyid
Fahar Bin Fatik Al Said
Director

Faisal Mohamed Al Yousef
Director

Qaboos Abdullah Al Khonji
Director

Sheikh
Mohamed Abdullah Al Rawas
Director

EXECUTIVE MANAGEMENT

Khalid Abdullah Al Eisri
Chief Executive Officer

Dhiraj Chidwal
Manager - Internal Audit & Risk Management,
Board Secretary

Mubarak Said Al Ghazali
Manager - Administration & Compliance

Ahmed Ibrahim
Assistant Finance Manager

Directors Report

For The Year Ended 31st March, 2022

Dear Shareholders,

On behalf of the Board of Directors, I have great pleasure in welcoming you to the 28th Annual General Meeting of Al Anwar Investments SAOG (AAI). I take this opportunity to place before you the Annual Report on the activities and performance of your company for the financial year ended 31st March 2022.

Overview of the Group results

Al Anwar Investments has maintained a prudent and pro-active approach towards managing its investments. Our portfolio investment companies are making efforts to overcome the present challenging economic environment resulting from the impact of COVID 19 combined with low oil prices that prevailed during the last 5 years. Some of our portfolio investment companies have been resilient in these difficult market conditions and consequently have maintained their profitability. However, others have not done as well. Our immediate objective is to support our portfolio investment companies and to take advantage of investment opportunities as economic situation improves.

The summary of our results are as follows: -

(OMR'000)	2021-22	2020-21
Total Income	1,320	1,650
Total Expenditure	(1,701)	(1,643)
Profit before Fair value loss	**(381)**	**7**
Fair value (loss) in financial assets	(460)	(282)
Income Tax	(1)	-
Net (Loss) Profit	**(842)**	**(275)**

- The Company reported a consolidated net loss of OMR 842,000 for year ended on 31st March 2022 as against a loss of OMR 275,000 for the year ended on 31st March 2021, mainly due to fair value loss of OMR 460,000 in company's marked to market investments in Muscat Security Exchange (MSX) and other investments at fair value.

- The shareholders equity at 31st March 2022 was OMR 30 million. Our Debt/ Equity ratio was a 0.51 compared to 0.60 in the previous year.

- Net assets per share as at 31st March 2022 was 151 baizas per share as against 155 baizas for the previous year.

Dividends

Our retained earnings as at 31st March 2022 was OMR 6.032 million, the Board of Directors recommend a cash dividend of 4% (last year: Nil) for the approval of shareholders.

Financial statements

The audited consolidated financial statements presented includes the following:

1- The results of Subsidiary Companies for the year ended 31st December, 2021 of the following:

a. Al Anwar International Investment LLC, 100% subsidiary;

b. Al Anwar Taleem LLC, 100% subsidiary

c. Al Anwar Hospitality SAOC, 100% subsidiary in hospitality sector; and

d. Al Anwar Industrial Investments SAOC, 100% subsidiary.

2- The share of profit (loss) of Associate Companies for the year ended 31st December, 2021 (Al Ruwad International Education Services SAOC up to 31st January 2022) in which AAI owns between 20% and 50% of share capital or has significant influence.

3- Dividends from other investments.

4- Realized and unrealized gains / losses from other listed / unlisted securities.

Performance of Investments

Subsidiaries

1- Al Anwar International Investments LLC (AAII)
AAII has investments of OMR 5,146,577 at 31st December, 2021.

2- Al Anwar Taleem LLC (AAT)
AAT has investments of OMR 535,487 at 31st December, 2021.

3- Al Anwar Hospitality SAOC (AAHS)
The company had entered into a Hotel Management Agreement with Accor Hotels for developing a 4 Star Business Hotel – NOVOTEL Muscat – Azaiba, near Airport, on a freehold land owned by the company. The total development cost of the project is estimated to be around OMR 11.5mn which will funded through a mix of debt and equity. We have received all the preliminary regulatory permissions needed for the project and have completed most of the design works needed to commence construction of the project.

4- Al Anwar Industrial Investments SAOC

The Company has been established with the objective to transfer all the manufacturing sector associates to this company as a cluster and seek strategic investors up to 40% stake in the company's equity, to grow the cluster by acquisitions, mergers, and other value-added initiatives.

Associates

1. Al Maha Ceramics SAOG (AMC):

AMC reported revenue of OMR 9,821,837 for the year ended on 31st December 2021, as compared with OMR 9,009,838 for last year, an increase of 9%. Net profit after tax for the year is OMR 2,453,040 as compared to OMR 1,524,311 in the previous corresponding period, an increase of 62%, which is mainly due to increase in sales volume, better price realization and cost improvement initiatives.

2. Voltamp Energy SAOG (VE):

VE reported revenues of OMR 31,524,601 during the year ended on 31st December 2021, a decrease of 8% as compared to last year. VE reported loss after tax (attributed to shareholders of Parent Company) of OMR 685,020 during the year as compared to loss of OMR 357,023 in last year for the same period. During the year competition in transformers business intensified and the increase in price of imported raw materials impacted the results of the company. The company has expanded its footprints in the export market and was able to sell its products in nine territories in 2021 as compared to eight in 2020.

3. Arabia Falcon Insurance Company SAOG (AFIC):

AFIC recorded Gross Written Premium of OMR 19,063,179 during the year ended on 31st December 2021 as compared to OMR 16,783,126 for the last year, a growth of 14%. The Net profit after tax for the period is OMR 1,675,511 against OMR 1,668,760 of last year, about same as last year. AFIC has been consciously restructuring its portfolio to phase-out large loss-making accounts coupled with concerted efforts to write new businesses. The measures taken by the management has resulted in reduction in overall net claims ratio to 37% in 2021 from 38% in 2020 in spite the increase in Life and Health insurance segments claim ratio and the effect of Shaheen cyclone.

4. Al Ruwad International for Education Services SAOC (AIS):

The Company has reported a decline in revenue and profitability for the twelve months period ended on 31 January 2022. This is primarily due to lower number of students enrolled in the school during the last academic year. The combined impact of Covid 19 and the challenging economic conditions had a considerable impact on private schools in Oman. Official statistics indicate that student enrollment in private schools in Oman has reduced from 116,483 to 78,529 in the 2020/21 school year (a decrease of over 33%). The school is now approved to provide International Baccalaureate (IB) curriculum at all levels. This should improve the school's competitive position and support it in attracting higher number of students in future years.

5. National Biscuits Industries Ltd. SAOG (NABIL):

NABIL reported revenue of OMR 10,602,902 for the twelve months period ended on 31st December 2021 as against OMR 13,422,044 of last year, a decline of 21% from last year. The net profit for the year is OMR 393,468 as against OMR 918,724 for the previous year, a decline of 57% from last year. This is largely due to increase in cost of raw materials, rising logistic costs and a loss of a contract from a major client. The company is about to launch a new line of premium biscuit & cookies which should mitigate its reliance on the shrinking market of traditional biscuits. NABIL brand enjoys a significant brand image in Oman and a good brand presence across the GCC and the other countries.

6. National Detergent Co. SAOG (NDC):

NDC reported revenues of OMR 17,768,828 for the year ended 31st December 2021 as compared to last year's 20,395,674, a decline of 13%. The Company reported a net loss of OMR 57,903 as compared to net profit of OMR 891,688. Decline in demand from consumers and increase in raw material prices are the main factors that affected financial performance of the company. To reduce this impact, NDC is focusing on controlling costs and introducing new products. The flagship brand BAHAR maintained its premier market position in Oman.

7. Oman Chlorine SAOG (OC):

Oman Chlorine Group has reported revenue of OMR 19,663,444 for the year ended 31st December 2021 as compared with OMR 15,597,163 in the previous period, a growth of 23%. The net loss (Attributable to Parent Company Shareholders) for the period is OMR 258,052 as compared to profit of OMR 104,381 in the previous period. This significant decline in profitability is mainly on account of losses reported by the subsidiaries located in UAE and Qatar.
The Oman operation reported a net profit of OMR 1,830,204 compared to previous period of OMR 1,458,745, a growth of 26%. The overall sales volume in the Oman plant increased by 34.5% owing to improved demand mainly for Caustic lye, Hydrochloric Acid and Calcium Chloride

Union Chlorine LLC, UAE, a subsidiary, has declared net loss of OMR 878,465 for the year ended on 31st December 2021, compared to loss of OMR 949,000 in previous period. The parent company's share of loss is OMR 526,200. The decrease in revenue was because of lower volume in caustic soda lye, Hypo and calcium chloride prills. Union Chlorine margins improved substantially in the last quarter of 2021 due to improvement in sales prices and expects to generate positive returns and healthy cashflows in 2022.

Gulf Chlorine WLL, Qatar, a subsidiary, has declared a net loss of OMR 3,030,000 during the year ended 31st December 2021, compared to loss of OMR 1,495,000 in previous period. The parent company's share of loss is OMR 1,545,436. With the Calcium Chloride Plant commissioned fully by United Chemicals, Gulf Chlorine will be able to run the existing plant at higher capacity which will enable the company to post improved operating performance. The company is under discussion to enter medium to long term contract with several leading entities for supply of various products. With the lifting of GCC Embargo, the company is in a position to cater to new markets in the region. Discussion is going on with several customers (local and regional) and the contracts are under pipeline.

Other significant investments

1. Ominvest perpetual bonds

Ominvest perpetual bonds are carrying an interest rate of 7.75% per annum payable twice a year in June and December. The rate is guaranteed for 5 year and thereafter the rates will be reset based on the agreed formula. For the year ended as on 31st March 2022, AAI earned interest amounting to approximately OMR 519,000.

2. Dhofar International Development and Investment Co SAOG (DIDIC)

AAI has an equity stake of 6.73% in DIDIC at carrying value of OMR 4,547,107 as at 31st March 2022. The investment is classified at fair value. AAI also invested OMR 1,000,000 in DIDIC Bonds carrying interest rate of 9% per annuum. There was an accrued interest of OMR 143,159 on bonds, which was not paid by the DIDIC. During the month of May'21, DIDIC Board approved to convert its bonds alongwith the accrued interest at an issue price of OMR 0.190 per share. Accordingly, AAI bonds was converted to equity shares.

DIDIC has reported net profit for the period is OMR 3,884,632 as compared to OMR 43,402,631. The comparative of last year included a one-time deemed acquisition gain of subsidiaries and associates of OMR 45,717,782.

3. Almondz Global Securities Ltd, India (AGSL)

AAI holds 11.94% equity stake in the AGSL, a company listed on The Bombay Stock Exchange (BSE), India, engaged in the business of broking, corporate finance, investment banking and healthcare. Investment is classified at fair value. AGSL diversified its business into other sectors during the year. The carrying value of our stake in AGSL is OMR 1,536,407 as at 31st March 2022.

Omanisation

AAI has always been fully committed of recruiting and training Omani employees and developing and promoting the local talent. AAI Omanisation level at 31st March 2022 was 67%.

Outlook

Oman's economy is expected to continue to improve as restrictions related to Covid-19 ease and oil prices recovers from the lows witnessed in prior years. S&P Global Ratings has revised Oman's rating outlook to positive from stable, citing its improving fiscal position, progress on reforms and rising oil prices.

AAI has maintained a prudent and active approach towards managing its investment portfolio. Our objective this year is to:

- continue to support and pro-actively manage our investment companies.
- take advantage of investment opportunities available in the market.

We are confident that AAI and its investment portfolio companies will continue to play a pivotal role in Oman's economic growth, create job opportunities for Omani nationals, and attract foreign investments in the Sultanate of Oman.

Acknowledgement

On behalf of the Board of Directors, I would like to take this opportunity to express our greetings and good wishes to His Majesty Sultan Haitham bin Tarik, and pray to Allah to grant him and his government success to lead the country and the people to greater prosperity and progress.

The Board records its sincere appreciation to Ministry of Commerce and Industry and Investment Promotion, Capital Market Authority, Muscat Stock Exchange, Bankers, Auditors for their continued support.

I would also like to express my sincere appreciation to the Board of Directors of all our portfolio investment companies for direction given to the managements of the respective companies. I place on record my sincere thanks and appreciation for the dedicated efforts of the management team and all employees of our portfolio investment companies.

I would also like to convey my sincere thanks to the Shareholders of Al Anwar Investments SAOG for the confidence they have reposed in the company and its Board.

For & on behalf of the Board of Directors of
Al Anwar Investments SAOG

Masoud Humaid Malik Al Harthy
Chairman

BDO

Tel: +968 2495 5100
Fax: +968 2464 9030
www.bdo.com.om

Suite No. 601 & 602
Pent House, Beach One Bldg
Way No. 2601, Shatti Al Qurum
PO Box 1176, Ruwi, PC 112
Sultanate of Oman

REPORT OF FACTUAL FINDINGS
TO THE SHAREHOLDERS OF AL ANWAR INVESTMENTS SAOG

We have performed the procedures agreed with you pursuant to the Capital Market Authority ("CMA") circular no. E/4/2015 dated 22 July 2015, with respect to the Board of Directors' Corporate Governance Report of Al Anwar Investments SAOG ("the Company") as at, and for the year ended, 31 March 2022, and its application of the Corporate Governance practices in accordance with the amendments to the CMA's Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively referred to as "the Code"). Our engagement was undertaken in accordance with the International Standard on Related Services 4400 *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. The procedures were performed solely to assist you in evaluating the extent of the Company's compliance with the Code as issued by the CMA and are summarised as follows:

1) We obtained the Corporate Governance Report ("the Report") issued by the Board of Directors and checked that the Report includes, as a minimum, all items suggested by the CMA to be covered by the Report; and

2) We obtained the details regarding the areas of non-compliance with the Code identified by the Company's Board of Directors, included in the Report together with the reasons for such non-compliance as identified for the year ended 31 March 2022. The Company's Board of Directors have not identified any areas of non-compliance with the Code.

We have no exceptions to report in respect of the procedures performed.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Corporate Governance Report.

Had we performed additional procedures or had we performed an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying Corporate Governance Report of the Company to be included in its annual report for the year ended 31 March 2022 and does not extend to any other areas of the annual report or to the financial statements of the Parent Company, taken as a whole.

BDO
Muscat
31 May 2022

Manvinder Singh
Partner
M. No: 400961
ICAI, India

BDO LLC
P.O.Box: 1176
PC: 112, Ruwi
Sultanate of Oman
Public Accountants & Management Consultants

Report on Corporate Governance

for the year ended 31 March 2022

1.Company philosophy

The principles of Corporate Governance mainly deal with the way companies are led and managed, the role of the Board of Directors and the framework of internal controls. At Al Anwar Investments SAOG (AAI), the Board supports the highest standards of Corporate Governance. The Board of Directors is responsible for approving and monitoring the Company's overall strategy and policies, including risk management policies, control systems, business plan and annual budget. The Management is responsible to provide the Board with appropriate and timely information to monitor and maintain effective control over strategic, financial, operational and compliance issues. The Board confirms that Al Anwar Investments SAOG applies the principles set out in the Capital Market Authority's (CMA) Code of Corporate Governance for Public Listed Companies (the "Code") and other rules and guidelines issued by the CMA from time to time.

We follow "International Financial Reporting Standards (IFRS)" in the preparation of accounts and financial statements.

2. Composition of the Board of Directors

During the year ended 31 March 2022, the Board consisted of seven directors who have varied backgrounds and experience and who individually and collectively exercise independent and objective judgement. The composition and the independence of the board of directors is in accordance with the Code. The members were elected to the Board at the Annual General Meeting held on 30 June 2021 for a term of 3 years. Board composition as on 31 March 2022 are as follow:

Director	Position	Independent /Non-Independent
Brig. (Rtd.) Masoud Humaid Al Harthy	Chairman	Non-Independent
Dr. Shabir Moosa Al Yousef	Deputy Chairman	Non-Independent
Mr. Abdulredha Mustafa Sultan	Director	Independent
Mr. Qaboos Abdullah Al Khonji	Director	Non-Independent
Sheikh Mohamed Abdullah Al Rawas	Director	Independent
H.H. Sayyid Fahar Bin Fatik Al Said	Director	Independent
Mr. Faisal Mohamed Al Yousef	Director	Non-Independent

3. Board Meetings

The Board met eight times during the year. The meetings were held on 6 April 2021, 2 June 2021, 10 June 2021, 30 June 2021, 11 August 2021, 11 November 2021, 13 February 2022, and 31 March 2022.

Sr.	Name of the Director	Position	AGM	Number of meetings attended			Number of Directorship in other listed companies
			Held on 30.06.2021	Board	NREC	AC	
1	Brig. (Rtd.) Masoud Humaid Al Harthy	Chairman	Present	8	-	-	1
2	Dr. Shabir Moosa Al Yousef	Dy. Chairman & Chairman NREC	Present	8	9	-	3
3	Mr. Abdulredha Mustafa Sultan	Director & Chairman AC	Present	8	-	5	1
4	Mr. Qaboos Abdullah Al Khonji (*)	Director & NREC Member	Present	7	8	-	3
5	Sheikh Mohamed Abdullah Al Rawas	Director & NREC Member	Present	7	8	1	1
6	H.H. Sayyid Fahar Bin Fatik Al Said (**)	Director & AC Member	-	5	-	4	-
7	Mr. Faisal Mohamed Al Yousef (**)	Director and AC Member	-	5	-	4	3
8	Mr. Nasser Said Al Hadi (#)	Director and Chairman AC (Part of the year)	-	3	-	1	-
9	Mr. Girish M Ramakrishnan (#)	Director & NREC Member (Part of the year)	-	3	4	-	-
10	Mr. Michael Hansen (*)	Director & NREC Member (Part of the year)	-	-	1	-	-

(*) Al Khonji Invest LLC has changed its representative Mr. Michael Hansen on the board of Al Anwar Investments SAOG with Mr. Qaboos Abdullah Al Khonji on 7 April 2021.

(**) Elected in the Board election held on 30 June 2021.

(#) Till Board election held on 30 June 2021

The Meeting attendance fees paid to the members for each meeting attended is as follows: Chairman – OMR 2,000, Deputy Chairman – OMR 1,600, Other Members – OMR 1,500

4. Board Committees:

Nomination, Remuneration & Executive Committee (NR&EC)

NR & EC is a sub-committee of the Board consists of following three directors:

Dr. Shabir Moosa Al Yousef	**Chairman**
Mr. Qaboos Abdullah Al Khonji	**Member**
Sheikh Mohamed Abdullah Al Rawas	**Member**
Mr. Girish M Ramakrishnan	**Member (Part of the year)**
Mr. Michael Hansen	**Member (Part of the year)**

The NR&EC is delegated powers and authority to facilitate the smooth running of the operations of the Company and exercise all of the responsibilities of the Board which are beyond the authority of the management and within the limits set out in the Manual of Authority approved by the Board. The Committee also assist the general meeting in the nomination of proficient directors and the election of the fit for the purpose, assist the Board in selecting the appropriate and necessary executives, provide succession planning for the executive management and Board chairman and fixing the appropriate remuneration and incentives for the executive management.

The NR&EC is governed by the terms of reference (Charter) approved by the Board. The working plan of the committee is approved by the Board.

The NR & EC met nine times during the year on 1 April 2021, 25 May 2021, 8 & 10 June 2021, 24 June 21, 11 August 2021, 10 October 2021, 7 Nov 2021, 1 February 2022 and 22 March 2022.

The Meeting attendance fees paid to the members for each meeting attended was OMR 650 for Chairman and OMR 550 for Members.

Audit Committee

The Audit Committee (AC) is a sub-committee of the Board, comprising of the following three non-executive directors, who are appointed by Board:

Mr. Abdulredha Mustafa Sultan	**Chairman**
H.H. Sayyid Fahar Bin Fatik Al Said	**Member**
Mr. Faisal Mohamed Al Yousef	**Member**
Sheikh Mohamed Abdullah Al Rawas	**Member (Part of the year)**
Mr. Nasser Said Al Hadi	**Member (Part of the year)**

The Audit Committee is constituted in accordance with the provision of the Corporate Governance requirement. Audit Committee Chairman is an Independent Director and majority of the members are Independent Directors.

All the members are experienced and have good knowledge of accounts and finance. The terms of reference (Charter) of the Audit Committee are in accordance with the guidelines given by CMA. The working plan of the committee is approved by the Board.
Major areas covered by the Audit Committee are matters concerning:

1. Consideration and recommendations for appointment of Internal and External Auditors,
2. Reviewing of audit plans and audit reports;
3. Oversight of internal audit functions to comply with all the requirements of internal audit as per Code of Corporate Governance and oversight of adequacy of internal control systems and financial statements,
4. Checking financial frauds,
5. Reviewing annual and quarterly statements and qualifications, if any, before issuing,
6. Critical review of non-compliance of IFRS and disclosure requirements prescribed by CMA,
7. Reviewing risk management policies and related party transactions and
8. Serving a channel between internal and external auditors and the Board.

The Audit Committee met five times during the year on 7 June 2021, 9 August 2021, 11 November 2021, 10 & 11 January 2022 and 10 February 2022.

The Meeting attendance fees paid to the members for each meeting attended was OMR 650 for Chairman and OMR 550 for Members.

5. Brief Profile of the Directors

Brig. (Rtd.) Masoud Humaid Al Harthy

He is a retired brigadier from the Royal Guard of Oman. Brig. (Rtd.) Masoud holds a Bachelor Certificate in Army Science Management with an experience of 37 years in military services. Brig. (Rtd.) Masoud is Chairman of Al Maha Ceramics SAOG in addition to being Board member in several other Companies.

Dr. Shabir Moosa Al Yousef

Dr. Shabir holds a PhD and a Masters of Research in Economics from University of Essex (U.K), M.B.A in Finance from University of Lincolnshire & Humberside (U.K), Master of Science from Colorado School of Mines (U.S.A) and Bachelors Degree in Electronics and Communications from Sultan Qaboos University.

He held positions of Chief Executive Officer of Oman Investment & Finance Co. SAOG, General Manager of Damac Holding U.A.E, Group General Manager of Premier Logistics Group LLC, General Manager of Truck Oman LLC, and a Petroleum Engineer post in Petroleum Development Oman (PDO).

Currently he is Dy. Chairman of the Board and Chairman of NREC, Al Anwar Investments SAOG (Formerly Al Anwar Holdings SAOG), Dy. Chairman of Arabia Falcon Insurance Company SAOG, Dy. Chairman and Chairman of NREC, Oman Chlorine SAOG, Director, CACTUS Premier Drilling Services SAOC, Chairman, Al Anwar Industrial SAOC and Chairman, Al Anwar Hospitality SAOC. He is also a member of the Tender Board in the Sultanate of Oman.

During his career, he was Chairman of National Aluminum Products Company SAOG. And also Board member of Bank Sohar SAOG, Financial Corporation Co. SAOG.

Mr. Abdulredha Mustafa Sultan

He holds a Bachelor Degree in Commerce majoring in Finance from San Diego State University, USA. He is Deputy Chairman of Al Jazeera Services Co. SAOG, and Board member of Fisheries Development Oman SAOC (FDO)and Almondz Global Securities Limited (India). He is Managing Director in Mustafa Sultan Enterprises LLC. He is a member of the Young Presidents' Organisation. He is also the Honorary Consul of Finland in Oman.

Mr. Qaboos Abdullah Al Khonji

Mr. Qaboos Al Khonji holds a Bachelor's degree in Business Administration from U.S. He is the Deputy Chairman of Al Khonji Invest LLC (Formerly known as Al Khonji Holding LLC) and Chairman of Al Binaa Constructions & Industry SAOC. Apart from these he is Deputy Chairman for Al Khonji Real Estate Development SAOC. He also holds Directorship in some of the prominent SAOG / SAOC Companies in Oman including The Financial Corporation Co. SAOG (FINCORP), Al Maha Ceramics Co. SAOG, Al Anwar Investment SAOG, Oman Chlorine SAOG, Oman Hotels & Tourism Co. SAOC, Desert Night Resort SAOC and Al Sharqiya Hotels & Tourism Co. SAOC, Al Anwar Hospitality SAOC, Al Anwar Industrial Investments SAOC. He has an extensive experience in the Construction and Retail and Hotel business. Mr. Qaboos belongs to a traditional business dominated family and also holds Directorship at Al Khonji Group LLC. He is Deputy Chairman of the Investor's Committee at FINCORP Al Amal Fund. He has previously held a position of General Manager in Moosa Abdul Rahman Hassan & Co. (2000 – 2002) and was the member of Board at the various companies like Taageer Finance Co. SAOG (2008 -2014) and. He has held Deputy Chairman's position at OIFC SAOG (2008-2014). Last but not the least he was with Salam Air SAOC as a Chairman of Board and NREC.

Sheikh Mohamed Abdullah Al Rawas

Holds an honorary doctorate in business administration from Luton University in 2005 as the first person in Asia and the Middle East to obtain that doctorate from this prestigious University for his efforts in the higher education sector in the Sultanate of Oman during his presidency of the board of directors of Majan University College. He also holds a Bachelor's degree in Business Administration, majoring in Finance and Investment, from Cairo University. He is currently a member of Al Anwar Investments SAOG and Dhofar Cattle Feed Co. SAOG.

He was previously held position of Board member in Oman Aviation Services Company SAOC, Oman and Emirates Investment Holding Company SAOG, Vice Chairman of the Board of Directors of Raysut Cement Company SAOG, member of the Board of Directors of the Oman Chamber of Commerce and Industry and representative of the Chamber in the Union of Arab Banks represented the Chamber in the ESCWA meetings in Beirut, Chairman of the Banking and Investment Committee in the Chamber, Member of the Temporary Committee for Economic Diversity in the Central Bank of Oman, member of the Board of Directors Literacy & Ministry of Education, Vice Chairman of the Board of Directors of the Gulf Plastic Company and a member of the Board of Directors of Global Computer services LLC (Globcom).

He is also a partner and member of the board of directors of Al Rawas Holding Group and a shareholder partner in Oman Treasures Holding Company.

H.H. Sayyid Fahar Bin Fatik Al Said

Holds a Bachelor's degree in Business Administration from Anglia Ruskin University in the United Kingdom. He also holds a Diploma in International Business Administration from the London School of Business and Finance. H.H is currently as an Assistant Auditor in State Audit Institution of Sultanate of Oman, Chairman of the Board of Directors of Fahar Bin Fatik LLC, Vice Chairman of the Board of Directors of Fatik Bin Fahar Group companies, Honorary chairman of Oman food Bank (DAYMA) and Board member of Ubar Hotels & Resorts SAOG (Oman)

Mr. Faisal Mohamed Al Yousef

Faisal is the CEO of Al Yousef Group LLC (AYG). He rejoined the group after working with Ernst & Young (Chartered Accountants) in Oman and the UAE as an Audit specialist. He is a Fellow of Chartered Certified Accountant (ACCA, UK) and also holds a BSc in Economics from SOAS (University of London), UK. He also holds an Advance Diploma in insurance from the Bahrain Institute of Banking and Finance. Faisal represents AYG on the boards of various investee companies, including Bank Dhofar, Muscat Finance, Dhofar International Development and Investment Company and Al Anwar Investments, Al Ruwad International School. He is also the Executive Director of Muscat Electronics. Throughout Faisal's career he was involved with at least two green field projects. These are today listed on the Muscat Stock Exchange. Faisal brings with him a decade of experience in banking and finance and insurance and investments.

Faisal is also involved with a number of voluntary work including the Oman Tennis Association and Government Schools in Muttrah.

6. Process of nomination of the Directors

The company follows the provisions of the Commercial Companies Law and Capital Market Authority Law & Regulations in respect of nomination of the members of the Board of Directors.

7. Management

The members of the management of the company are appointed with proper contracts clearly defining the terms of reference.

8. Brief profile of top management personnel with executive powers

Khalid Abdullah Al Eisri, Chief Executive Officer

Chartered Financial Analyst (CFA), holds a Bachelor's degree in Finance from Sultan Qaboos University. Has more than 15 years of experience in investment management and corporate advisory. Prior to joining Al Anwar Investments, he held the position of Acting Senior Manager at the Oman Investment Authority.

Mr. Khalid is a director in National Biscuit Industries Ltd SAOG, National Detergent Co SAOG, and Al Ruwad International School SAOC. He also held directorship in several companies such as RAK Ceramics, Al Hosn Investment Company, Oman Growth Fund, Oman & Emirates Investment Holding Company, Ubar Capital, United Finance and Gulf Mushroom Production Company.

Dhiraj Chidwal, Manager – Internal Audit & Risk Management, Board Secretary

Dhiraj Chidwal is a Chartered Accountant with accreditations from the Institute of Chartered Accountants of India and Certified Public Accountant (CPA) from USA. He has more than Nineteen years of experience in the field of Internal Audit, Finance and Accounting. Prior to Al Anwar, he worked for one of leading private bank in India as Chief Manager, Internal Audit. He has extensive experience in the Internal Audit of Banking and Finance sector.

Mubarak Al Ghazali, Manager - Administration & Compliance

Has more than 25 years' experience in Insurance, management, HR, administration and compliance. He has been working in Al Anwar Investments SAOG since 2005. Mubarak holds General Diploma certificate and a certificate in Human Resource Management. He attended several training courses, workshops and conferences in various fields like Human Resource, Executive Management skills and Effective Leadership. He also attended many workshops organized by Muscat Stock Exchange and Capital Market Authority and other government bodies.

Ahmed Ibrahim, Assistant Finance Manager

Ahmed Ibrahim is an MBA in Financial Markets from Institute for Market Studies (IEB Spain), and a Bachelor of Commerce from Zaqaziq University (Egypt). He has more than 20 years of experience in different fields including banking, advertising, detergent manufacturing, and Investment company. His core expertise is in monitoring and managing the Financial and Treasury operations of the company.

9. Means of communication with the Shareholders and investors

a. The notice to the Shareholders for the Annual General Meeting containing the details of the related party transactions is filed with CMA and mailed to shareholders along with Directors' Report and audited accounts.

b. The Quarterly results of the company as per CMA format, are prepared by the management for every quarter, reviewed by the Audit Committee, approved by the Board, are forwarded to CMA and also published in the Newspapers as per the directives of CMA. Copies are made available to shareholders on request. Results are also uploaded on the website of Muscat Stock Exchange (MSX).

c. Pursuant to the Executive Regulations of the Capital Market Law, Al Anwar has disclosed the initial quarterly and annual un-audited management results within 15 days from the end of the period.

d. Important Board decisions are disclosed to the investors through MSX from time to time. The company has its official website, www.alanwar.om for its investors. The website is updated from time to time.

e. The Management Discussion and Analysis Report forms part of the Annual Report.

10. Remuneration matters

a. The meeting attendance fee was paid as approved by shareholder in AGM held on 30 June 2021. A total of OMR 75,850 (FY 2020-21: OMR 61,900/-) was paid to Directors for meetings attended during the period 1 April 2021 to 31 March 2022.

b. A sum of OMR NIL (FY 2020-21: NIL) was reimbursed to Directors towards travelling expenses for attending the meetings in addition to above mentioned sitting fees.

c. The remuneration for the employees is, after critical evaluation, fixed by the Board, based on qualification, expertise and efficiency of the executives. The total remuneration of the top four employees for financial Year 2021-22 was OMR 138,843 (The top four for FY 2020-21: OMR 194,669).

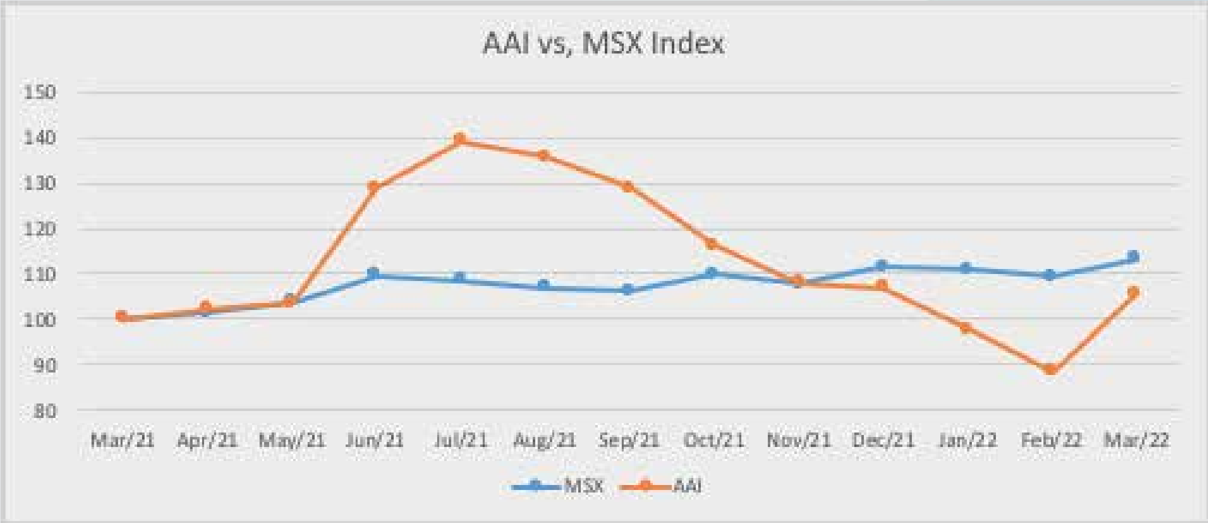
d. The Board did not recommend any Directors' remuneration for the year 2021-22. (FY 2020-21: OMR NIL).

11. Details of non-compliance by the Company

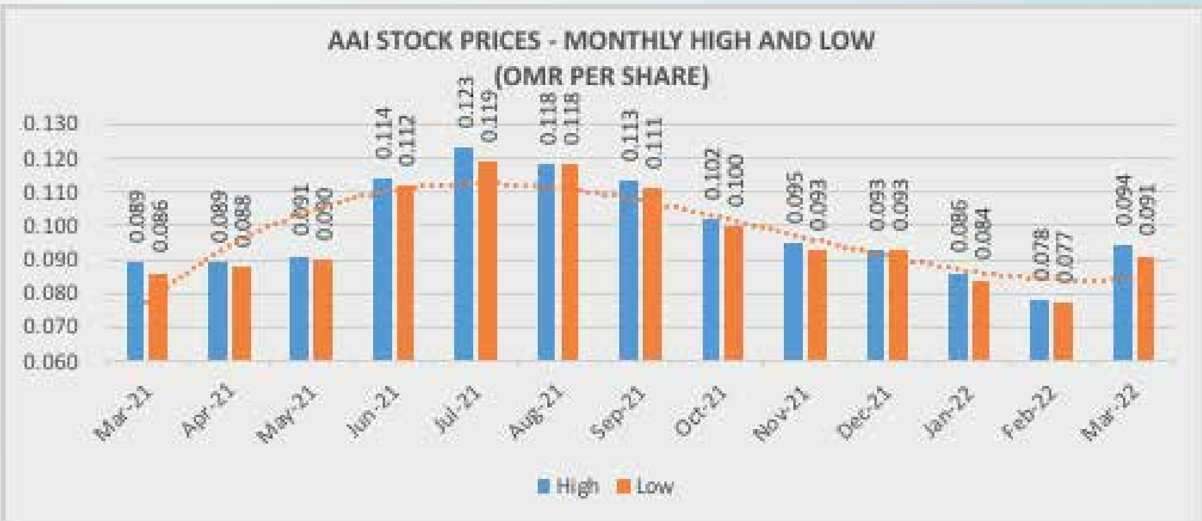
No penalties have been imposed by CMA or MSX or any other statutory bodies on the company.

12. Market price data

The performance of the Company's share price during the financial year ended 31 March 2022 against MSX Index is shown below:



The monthly high and low share price of the company during the financial year ended 31st March 2022 was as under:



13. Distribution of Shares

The share holding pattern as on 31 March 2022 is as given below:

Distribution	No of Shareholders	of Shareholders %	No of Shares	of No. of % Shares
to 50,000 1	1,560	84%	13,858,968	7%
to 100,000 50,001	112	6%	8,424,542	4%
to 200,000 100,001	77	4%	11,283,200	6%
to 500,000 200,001	51	3%	15,469,267	8%
Above & 500,001	47	3%	150,964,023	75%
Grand Total	1,847	100%	200,000,000	100%

The Company does not have any foreign Global Depository Receipts (GDR) / American Depository Receipts (ADR) / Warrants or any other instrument of any type issued to public or institutional investors or any other class of investors.

14. Corporate Social Responsibility (CSR)

Al Anwar Investments SAOG is committed to support the society and environment. During the year, company has contributed OMR 15,040 to support the families affected by Hurricane Shaheen in North Al Batinah.

15. Professional Profile of the Statutory Auditors:

BDO LLC, the statutory auditors of the Company, have been operating in the Sultanate of Oman since 1976. BDO LLC is an independent and legally distinct member firm of BDO International Limited. BDO, one of the leading professional services firm, providing industry focused Assurance, Tax and Advisory services, has over 97,000 employees working in a global network of 1,728 offices situated in 167 countries and territories.

BDO LLC is accredited by the Capital Market Authority to audit publicly listed joint stock companies (SAOGs) in Oman. The fees for auditing the financial statements for the year ended March 31, 2022 and the report on compliance with the corporate governance law amounted to OMR 8,000.

16. Specific areas of non-compliance with the provisions of corporate governance and reasons

This report is prepared in compliance with the Code of Corporate Governance and covers all the items specified in Annexures 3 of code of Corporate Governance issued in July, 2015 and updated in December, 2016.

17. Acknowledgement by Board of Directors

The Board of Directors is responsible for the preparation of the financial statements in accordance with the applicable standards and rules.
There are no material things that effect the continuation of the Company and its ability to continue its operations during the next financial year.

The Board of Directors, through the Audit Committee's consideration of the results of the internal audit work and discussions with the external auditors, together with their examination of periodic management information and discussions with the management, have reviewed the operation of internal controls during the year ended 31 March 2022. The Board of Directors has concluded based on this those internal controls operated effectively throughout the year.

For Al Anwar Investments SAOG

Masoud Humaid Al Harthy
Chairman

Abdulredha Mustafa Sultan
Chairman Audit Committee

Al Anwar Investments SAOG (AAI) was incorporated on 20th December, 1994 as a publicly listed company on Muscat Stock Exchange (MSX). Over the last twenty-eight years, Al Anwar has founded a number of successful companies such as Al Maha Ceramics, Voltamp and Arabia Falcon Insurance.

In the next 3 years Al Anwar plans to grow its asset base by raising its paid-up capital, enhancing the value of its investments and by deploying capital in new investments.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INVESTMENT STRATEGY: CLEAR, DIFFERENTIATED AND PROVEN

Al Anwar is a significant minority shareholder in a number of private and publicly listed companies in Oman. Al Anwar follows a private equity model of investing and is an active investor. Al Anwar invest in companies with the intention of improving the business performance and enhancing the value of the company.

Al Anwar mission is to support, create and nurture successful entities which create and enhance long term value for the stakeholders through:

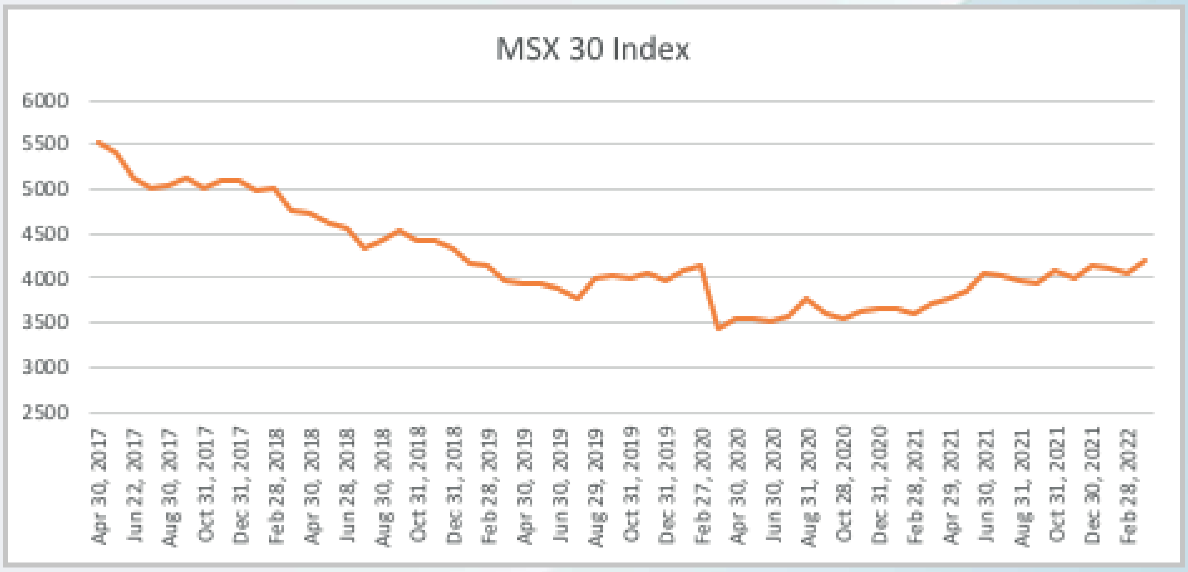
- Investing in companies with scalable, creative and sustainable Business Model.
- Enhancing Corporate Governance and ensuring adequate systems and procedures.
- Focusing on execution and operational excellence.

OMAN ECONOMY AND OUTLOOK

- The year 2021 was a challenging year for Oman's economy. The COVID-19 pandemic prompted the Government of Oman to undertake a set of precautionary measures including border closures, partial and full lockdown, and reduction in workplace attendance. Such measures had negative impact on the economic activity.
- Total public spending in 2021 was estimated to be OMR 12.17 bil (6% lower than 2020). In addition, investment exposure reduced from OMR 2.4 bil in 2020 to OMR 1.1 bil in 2021. This along with the introduction of Value Added Tax (VAT) effective from 16th April 2021 had a negative impact on consumer and business spending.
- Oman's Government announced a Budget for 2022 with a fiscal deficit of OMR 1.5 billion. Public spending is estimated to be OMR 12.1 billion in 2022. Aggregate public revenue is also projected at OMR 10.6 billion in 2022, based on assumed oil price of US$ 50 per barrel and a production of around 1.05 million barrels per day.
- Oil prices since December 2021 have recovered and have been trading at around USD 100-120 per barrel since March 2022. The increase in oil prices and the reopening of business activity should improve the economic activity in 2022. In addition, the increase of Oman credit rating by some of the credit rating agency provides a positive outlook for Oman's economy

PERFORMANCE OVERVIEW OF MUSCAT STOCK EXCHANGE INDEX (MSX)

In the last 5 years MSX 30 Index declined by over 24% from 5,550 in April 2017 to 4,205 in March 2022. As a result, a large number of companies are trading below book value.



MARKET CAPITALIZATION (OMR' Billion)

Description	Mar-20	Mar-21	Mar-22
Banking and Investments	2.64	3.07	4.19
Services	1.23	1.22	1.24
Industry	0.35	0.25	0.38
Total Market capitalization	**4.22**	**4.54**	**5.81**

Since March 2020, the total market capitalisation of MSX has increased by approximately OMR 1.6 billion. This is primarily due to increase in the market capitalization of Bank Muscat, NBO and Sohar International.

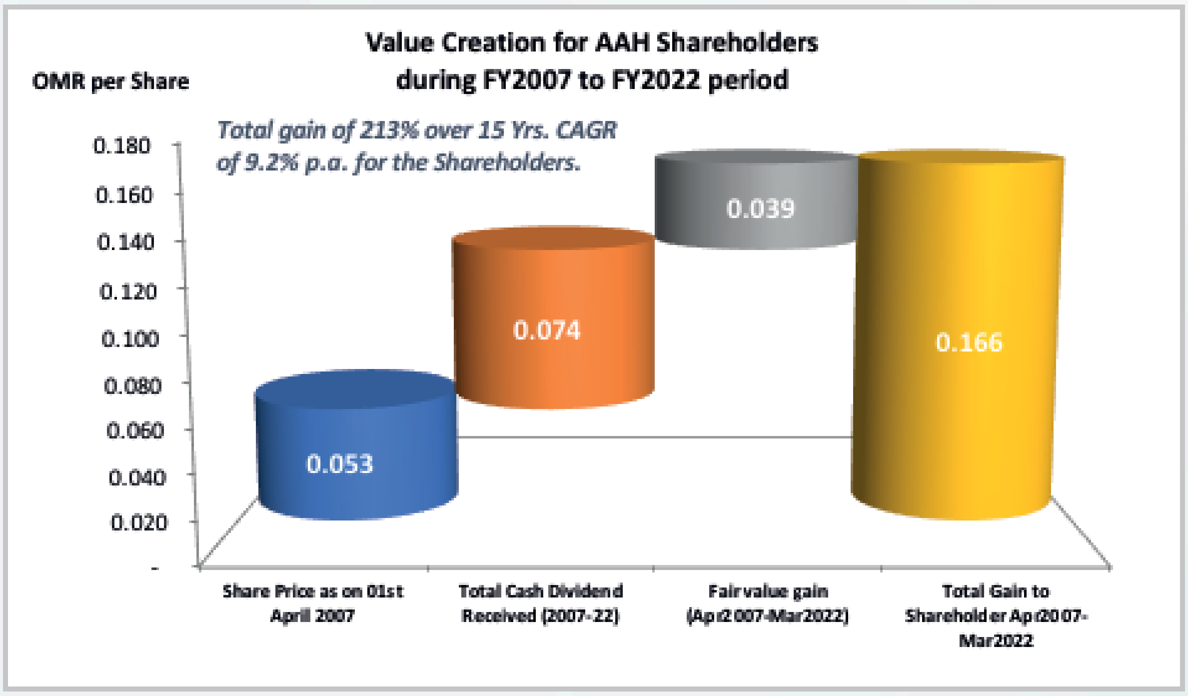
The value of traded securities during 2021 reached OMR 820 million an increase of 45% compared with last year.

OPPORTUNITIES

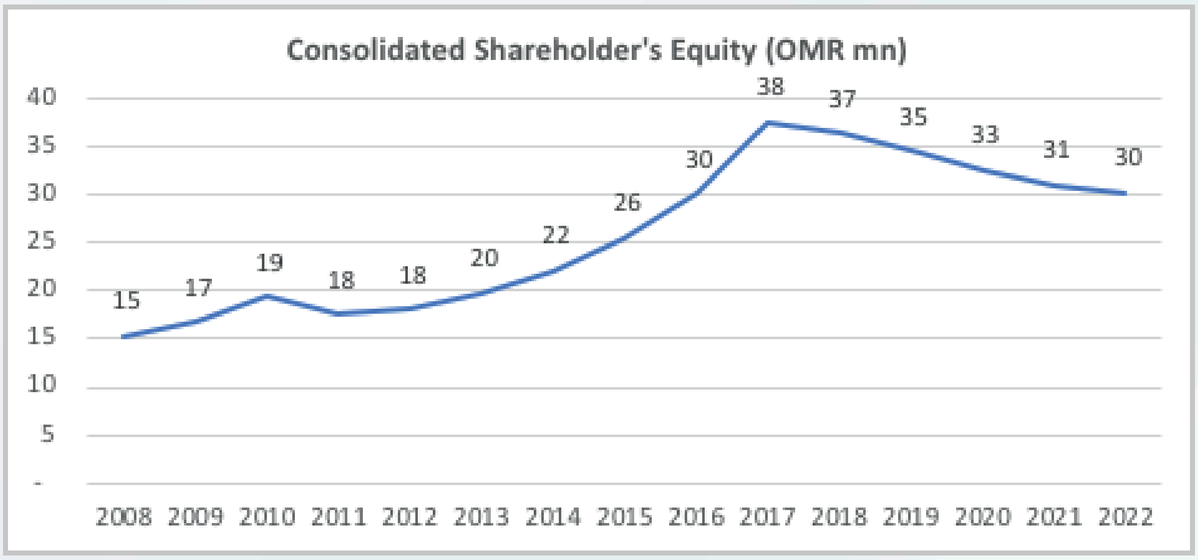
AAI remains cautiously optimistic on Oman economy. We are aware that the current economic environment represents an opportune time to invest in sectors that will benefit from the recovery of Oman's economy.

PERFORMANCE ANALYSIS

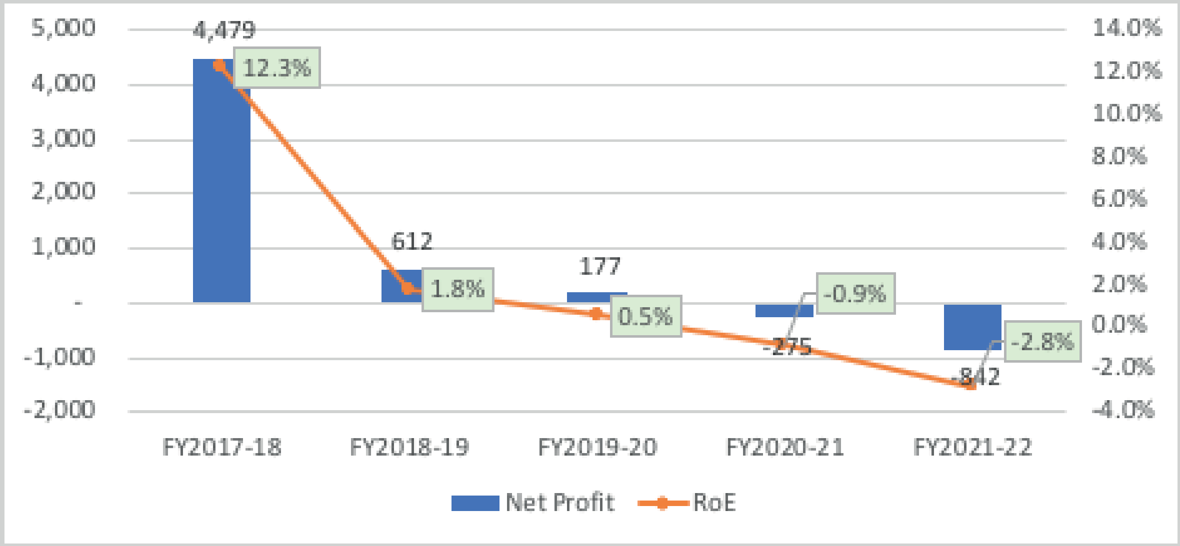
During the the period FY2007-08 to FY2021-22, shareholders of AAI have generated total return of 213% (cash dividends received + change in share price), which is around 9.2% p.a. CAGR.



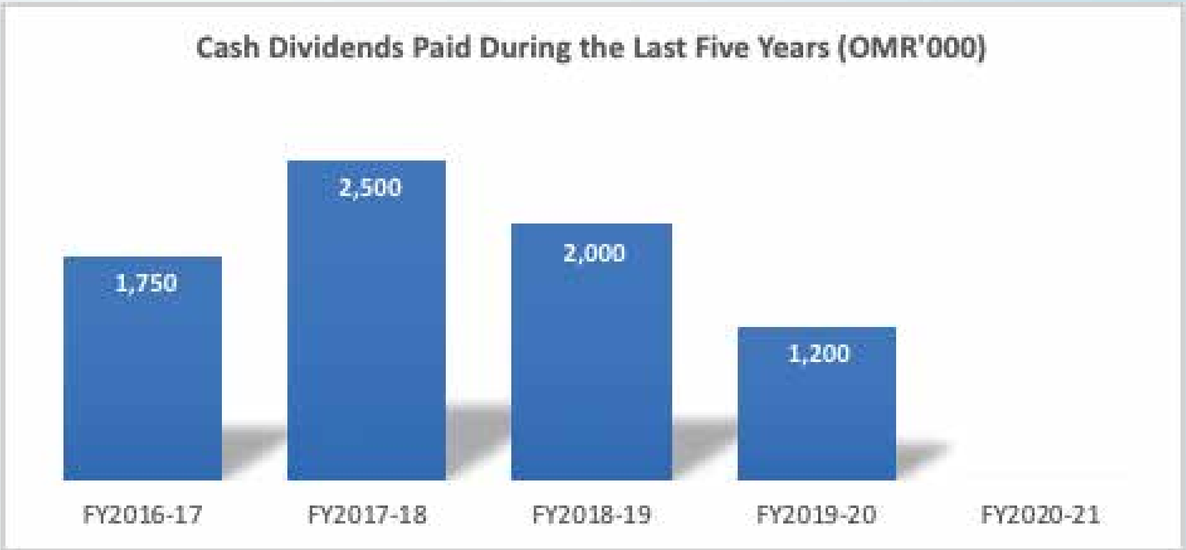
Consolidated shareholder's equity for the last 15 years are as follows:



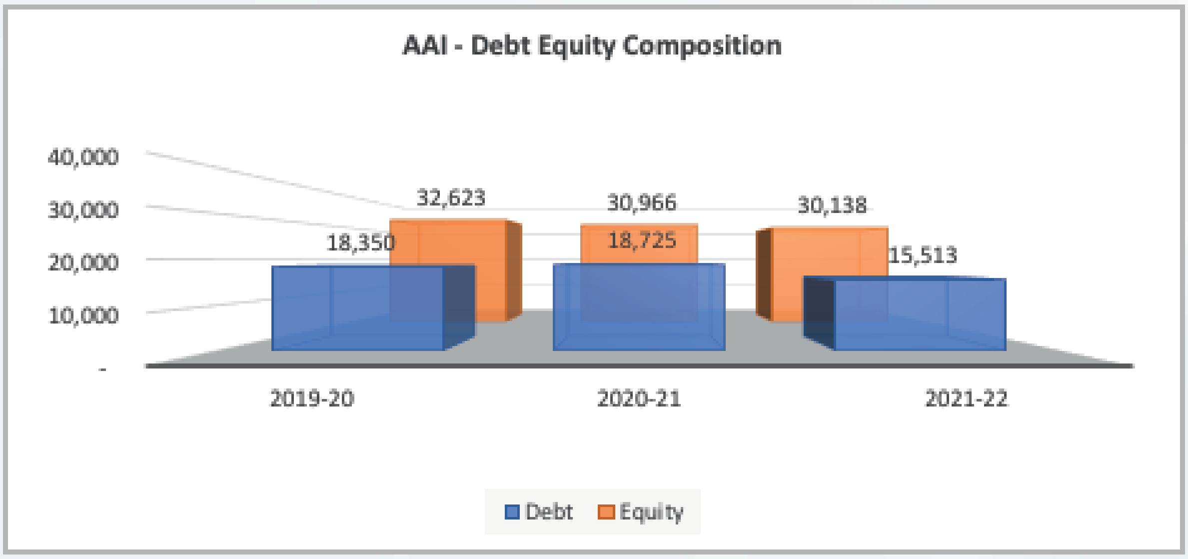
The profitability for the year ended 31st March 2022 was impacted mainly due reduction of profits in our Associates, and the significant decrease in the value of our investments in MSX marked at market value.



Owing to the inherent balance sheet strength and comfortable Debt/Equity position, AAI has rewarded its shareholders with healthy cash dividends in the last 5 years.

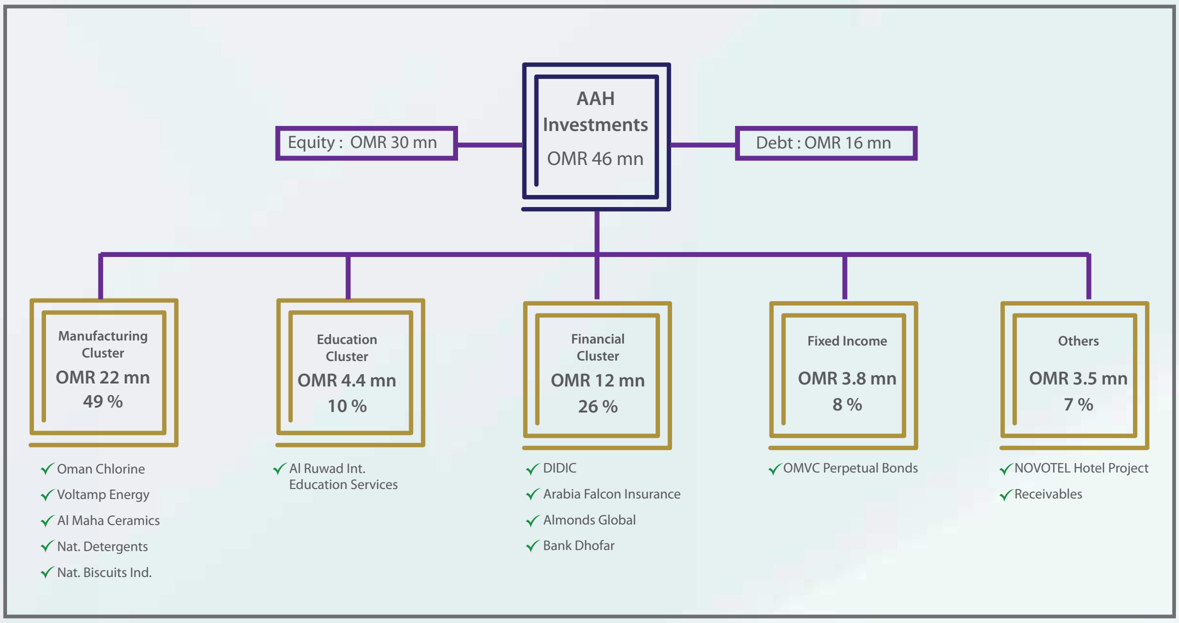


Growth in our investment portfolio over the years has been achieved whilst maintaining a manageable leverage position. As of 31st March 2022, our Debt/ Equity ratio was 0.51.



AAI maintains a cautiously optimistic approach with the core focus on manufacturing, financial services and education sector. We have a strong manufacturing cluster which has constantly produced good returns. Our other clusters, financial services and education, have high growth potential. Our investments are mostly long-term and we have a very small amount of trading investments. Our objective is to ensure that we increase the profitability and consequently the value of each of our investment.

Our investment portfolio as of 31st March 2022 by clusters is as follows:



Our returns and our share of net assets of our associates and other significant investments for the year ended 31st March 2022 are as follows:

Associates

Name of the Company (OMR'000)	% holding	Carrying Value	Share of Profit/ (Loss)	Dividend	Share of Net Assets
Voltamp Energy SAOG	24.68%	4,469	(169)	60	4,533
Al Maha Ceramics Company SAOG	23.74%	2,909	582	392	2,707
Arabia Falcon Insurance Co. SAOC	22.62%	4,660	379	280	4,609
The National Detergent co. SAOG	25.24%	5,394	(15)	-	4,164
National Biscuit Industries SAOG	29.22%	2,311	115	44	2,172
Oman Chlorine SAOG	22.15%	7,239	(57)	264	4,690
Al Ruwad International Education Services SAOC	43.51%	4,438	(83)	-	1,784

Other Investments

Name of the Company (OMR'000)	% holding	Carrying Value	Fair Value Gain	Dividend	Income	Share of Net Assets
Ominvest Perpetual Bonds (7.75%)	6.27%	3,800	-	NA	519	3,800
Dhofar International Dev. & Investment Holding SAOG (DIDIC)	6.73%	4,547	(2,348)	-	-	8,134
Almondz Global Securities Ltd.	11.94%	1,536	1,059	-	-	1,063
Bank Dhofar	0.3%	1,031	81	19	-	1,625

The cornerstones of our next three-year investment strategy are:

1. Improvement of performance of our investee companies
2. Monetization of certain investments
3. Investment in new companies which have potential to grow as economic conditions improve

RISKS AND CONCERNS

AAI has a robust Risk Management framework in place that adheres to industry best practices. Risk Management is embedded in all core business functions and is an integral part of the business strategy. AAI follows a proactive Risk Management approach in remediating internal and external risks through conducting regular risk assessment of its portfolio companies, operating environment and taking proactive action to mitigate emerging risks.

Risk issues impacting portfolio companies are proactively managed through close working relationships with investee companies and the prudent oversight of our Board representatives. Broadly, these risks take the form of increasing costs/ decreasing margins, competition from other sources of supply and shifts in customer preference for other solutions. Also, each of the investee companies have their own risk management process in place.

The COVID-19 pandemic has caused steep reductions in global economic activity severely hampering the businesses and human lives across the world. The underlying businesses of AAI are facing challenges in this regard and in our Associates, we have undertaken series of action plans, including cost rationalization, streamlining production processes and seeking industry support from the Government of Oman to circumvent the challenges and continue to generate value for our shareholders in these challenging times. Our immediate objective is to maintain values of our investment and ensure that they are profitable and do not face liquidity challenges.

ACKNOWLEDGMENTS

We acknowledge the contribution of our Board Members for their wisdom and valuable guidance which has helped us in successful implementation of our strategy. Further, we appreciate the confidence entrusted by our shareholders.

Khalid Al Eisri
Chief Executive Officer

BDO

Tel: +968 2495 5100
Fax: +968 2464 9030
www.bdo.com.om

Suite No. 601 & 602
Pent House, Beach One Bldg
Way No. 2601, Shatti Al Qurum
PO Box 1176, Ruwi, PC 112
Sultanate of Oman

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL ANWAR INVESTMENTS SAOG

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Al Anwar Investments SAOG ("the Parent Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 March 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Sultanate of Oman, 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Investment in Associates
The Group has investments in associates of RO 31.46 million as at 31 March 2022. The carrying value of certain associates is substantially higher than the Group's proportionate interest in net assets of those associates and quoted price of associates listed on Muscat Stock Exchange (refer Note 3). These conditions indicate possible impairment in carrying value of investment in associates.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL ANWAR INVESTMENTS SAOG (continued)

Key Audit Matters (continued)

Impairment of Investment in Associates (continued)

In accordance with IAS 36 *Impairment of Assets* which requires that assets be carried at no more than their recoverable amount. An impairment review of non-financial assets is performed when there are indicators that these might be impaired.

Management determined the recoverable amount of the investment in associates based on higher of fair value or value-in-use. The value-in-use is determined by the management based on future cashflows, considering EBITDA and growth rates, discounted using the weighted average cost of capital.

Our Response
Our procedures, amongst others, included:

- obtained management valuation model and tested it for arithmetical accuracy and the basis on which the inputs into the model were determined;
- evaluated the methodology and appropriateness of valuation techniques used by management, including reasonableness of the growth rates by reference to internal and external data;
- used our own internal valuation specialist to assess reasonableness of the growth rates and discount rates used by the management; and
- assessed the adequacy of disclosures in the consolidated financial statements.

Accounting for Investment in Associates
The Group accounts for its investment in associates using equity method in accordance with the requirements of IAS 28 *Investments in Associates and Joint Ventures*. The Group has recognized its share of results of associates of RO 753,000 and share of other comprehensive income of RO 776,000 for the year ended 31 March 2022 (refer Note 3).

In accordance with IAS 28 *Investment in Associates and Joint Ventures* when the reporting period of the entity is different from the associates, adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of entity's financial statements. In any case, the difference between the end of the reporting period of the associates and the entity shall be no more than three months.

Majority of the Group's associates do not have year-end that is consistent with the Group. Any significant transactions that occur between the year-end of associates and the Group's year-end (the lag period) are considered in the share of results of the associates.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL ANWAR INVESTMENTS SAOG (continued)

Key Audit Matters (continued)

Accounting for Investment in Associates (continued)

Our Response
Our procedures, amongst others, included:

- issued audit instructions to the component auditors of the significant associates. The instructions covered the significant audit areas that the component auditors should focus on, as well as the information required to be reported by them;
- obtained the responses to our group audit instructions to determine whether the component auditors of significant associates have performed relevant audit procedures and gathered sufficient appropriate audit evidence;
- obtained the results of associates including share of other comprehensive income recorded by the Group and agreed them to the audited financial statements of the underlying associates; and
- obtained management assessment for any significant events or transactions during the lag period and corroborated the same with the quarterly results of the associates.

Other Matter
The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by another auditor, who expressed an unmodified opinion on those statements on 13 June 2021.

Other Information
Management is responsible for the other information. The other information comprises the Chairman's Report, Management Discussion and Analysis Report and Report on the Code of Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman and Rules and Guidelines on Disclosure issued by the Capital Market Authority and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL ANWAR INVESTMENTS SAOG (continued)

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management'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 Group'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 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 Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL ANWAR INVESTMENTS (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 provide those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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
We report that, the consolidated financial statements as at, and for the year ended, 31 March 2022, in all material respects, comply with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman and the Rules and Guidelines on Disclosure issued by the Capital Market Authority.

BDO
Muscat
31 May 2022

Manvinder Singh
Partner
M. No: 400961
ICAI, India

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 RO'000	2021 RO'000
ASSETS			
Investment in associates	3	**31,460**	30,972
Investments at fair value	4	**11,073**	15,353
Property and other assets	5	**2,270**	2,254
Receivables and prepayments	6	**1,158**	1,344
Cash and bank balances		**88**	63
TOTAL ASSETS		**46,049**	49,986
EQUITY			
Share capital	7	**20,000**	20,000
Legal reserve	8	**4,568**	4,568
Equity investment reserve	9	**(2,695)**	(1,932)
Associates' reserves	9	**2,232**	1,456
Retained earnings		**6,032**	6,874
Total equity		**30,137**	30,966
LIABILITIES			
Bank borrowings	10	**15,513**	18,725
Payables	11	**399**	295
Total liabilities		**15,912**	19,020
TOTAL EQUITY AND LIABILITIES		**46,049**	49,986
Net assets per share (in Baisas)	12	**151**	155

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 29 May 2022.

CHAIRMAN	DIRECTOR	CHIEF EXECUTIVE OFFICER

The notes on pages 42 to 66 form an integral part of these Consolidated Financial Statements.

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT O FPROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 RO'000	2021 RO'000
Share of results of associates	3	**753**	1,085
Net investment income	14	**95**	254
Other income	15	**12**	29
Net income		**860**	1,368
Administrative expenses	16	**(486)**	(441)
Finance costs	17	**(1,124)**	(1,117)
Corporate social responsibility expenses		**(15)**	(23)
Directors' fees and remuneration	18	**(76)**	(62)
Total expenses		**(1,701)**	(1,643)
Loss for the year		**(841)**	(275)
Income tax	19	**(1)**	-
Loss for the year after tax		**(842)**	(275)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Share of other comprehensive income /(loss)of associates	3	**776**	(141)
Net change invalue of investments at fair value through other comprehensive income	4	**(763)**	(41)
Other comprehensive income / (loss) for the year		**13**	(182)
Total comprehensive and net loss for the year		**(829)**	(457)
Loss per share (in Baisas)	13	**(4)**	(1)

The notes on pages 42 to 66 form an integral part of these Consolidated Financial Statements.

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital RO'000	Legal reserve RO'000	Equity investment reserve RO'000	Associates' reserves RO'000	Retained earnings RO'000	Total RO'000
At 1 April 2020	20,000	4,568	(1,891)	1,597	8,349	32,623
Loss for the year	-	-	-	-	(275)	(275)
Other comprehensive income						
Share of other comprehensive loss of associates	-	-	-	(141)	-	(141)
Net decrease in value of investments at fair value through other comprehensive income	-	-	(41)		-	(41)
Total comprehensive loss for the year	-	-	(41)	(141)	(275)	(457)
Transactions with owners, recorded directly in equity						
Dividend paid (note 20)	-	-	-	-	(1,200)	(1,200)
At 31 March 2021	20,000	4,568	(1,932)	1,456	6,874	30,966
Loss for the year	**-**	**-**	**-**	**-**	**(842)**	**(842)**
Other comprehensive income						
Share of other comprehensive income of associates	**-**	**-**	**-**	**776**	**-**	**776**
Net decrease in value of investments at fair value through other comprehensive income	**-**	**-**	**(763)**	**-**	**-**	**(763)**
Total comprehensive loss for the year	**-**	**-**	**(763)**	**776**	**(842)**	**(829)**
At 31 March 2022	**20,000**	**4,568**	**(2,695)**	**2,232**	**6,032**	**30,137**

The notes on pages 42 to 66 form an integral part of these Consolidated Financial Statements.

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 RO'000	2021 RO'000
Operating activities			
Dividend income and other income		**1,652**	1,279
Cash paid for administrative expenses		**(465)**	(320)
Net cash generated from operating activities		**1,187**	959
Investing activities			
Purchase of other assets	5	**(18)**	(67)
Proceeds from disposal of investments	4	**3,192**	69
Proceeds from disposal of other assets	15	**-**	3
Purchase of investments	4	**-**	(141)
Net cashfrom / (used in) investing activities		**3,174**	(136)
Financing activities			
Dividend paid to shareholders		**-**	(1,200)
Finance costs	17	**(1,124)**	(1,117)
Proceeds from borrowings	10	**12,800**	11,100
Repayment of borrowings	10	**(16,012)**	(10,725)
Net cash used in financing activities		**(4,336)**	(1,942)
Net change in cash and cash equivalents during the year		**25**	(1,119)
Cash and cash equivalents at beginning ofyear		**63**	1,182
Cash and cash equivalents at end of year		**88**	63

The notes on pages 42 to 66 form an integral part of these Consolidated Financial Statements.

1 General information

Al Anwar Investments SAOG (the 'Parent Company') is an Omani Joint Stock Company incorporated on 20 December 1994 and registered with the Ministry of Commerce, Industry and Investment Promotion in accordance with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman. The business activities of the Parent Company and its subsidiary companies (together referred to as "the Group") include promotion of and participation in a variety of ventures in the financial services, industrial and education sectors in the Sultanate of Oman. The Parent Company's shares are listed on Muscat Stock Exchange.

2 Investment in subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and its followingsubsidiaries. All the subsidiaries are incorporated in the Sultanate of Oman.

		Holdings %	Cost RO'000
Al Anwar Taleem LLC	Education	**100**	**500**
Al Anwar International Investment LLC	Investment	**100**	**150**
Al Anwar Hospitality SAOC	Hospitality	**100**	**500**
Al Anwar Industrial Investments SAOC	Investment	**100**	**500**
			1,650

3 Investment in associates

(a) The consolidated financial statements include the results of the Group's associates as follows.All theassociates are incorporated in the Sultanate of Oman:

Name of associates	**Principal activity**	**% Holding**	**Carrying value 2022 RO'000**	**Market value 2022 RO'000**	Carrying value 2021 RO'000	Market value 2021 RO'000
Quoted						
Voltamp Energy SAOG	Manufacture of electrical equipment	**24.68**	**4,469**	**2,491**	4,711	2,250
Al Maha Ceramics SAOG	Manufacture of ceramic tiles	**23.74**	**2,909**	**6,397**	2,718	3,395
Oman Chlorine SAOG	Manufacture of chemicals	**22.15**	**7,239**	**3,651**	7,583	3,697
The National Detergent Company SAOG	Manufacture of detergents	**25.24**	**5,394**	**2,533**	4,658	2,885
Arabia Falcon Insurance SAOG	Insurance	**22.62**	**4,660**	**2,687**	4,501	2,219
National Biscuit Industries SAOG	Manufacture of biscuits	**29.22**	**2,311**	**1,166**	2,240	1,157
Total quoted			**26,982**	**18,925**	26,411	15,603
Unquoted						
Alruwad International Education Services SAOC	Education	**43.51**	**4,438**	N/A	4,521	N/A
Hormuz Al Anwar Cement SAOC	Manufacture of cement	**40**	**40**	N/A	40	N/A
Total unquoted			**4,478**	N/A	4,561	N/A
Total			**31,460**		30,972	

3 Investment in associates*(continued)*

(b) Set out below are the key assumptions and summarised financial information of associates which are accounted for using the equity method:

The key assumptions forming the basis for the calculation of value in use are as follows:
(i) Growth rate based on assumption that associates' revenue will grow ranges from 1% to 38%;
(ii) Terminal value based on assumption that cash flow shall grow at 2.5%; and
(iii) The discount factor in determining the recoverable amount is ranges from 10.3% to 13.4%.

The financial information for the associates is considered as on 31 December 2021, except for Alruwad International Education services SAOC which is considered as on 31 January 2022.

	Voltamp Energy SAOG		Al Maha Ceramics SAOG		Oman Chlorine SAOG		The National Detergent Company SAOG		Arabia Falcon Insurance SAOG		National Biscuit Industries SAOG		Alruwad International Education Services SAOC	
	2022 RO'000	2021 RO'000	**2022 RO'000**	2021 RO'000	**2022 RO'000**	2021 RO'000	**2022 RO'000**	2021 RO'000	**2022 RO'000**	2021 RO'000	**2022 RO'000**	2021 RO'000	**2022 RO'000**	2021 RO'000
Current assets	**32,861**	26,193	**7,610**	5,488	**13,050**	11,687	**10,486**	11,680	**46,395**	51,937	**7,408**	9,603	**1,630**	1,759
Non-current assets	**12,491**	12,650	**6,995**	7,596	**81,370**	80,721	**19,279**	15,774	**25,071**	21,707	**5,708**	3,883	**7,244**	7,484
Current liabilities	**(23,702)**	(15,801)	**(2,018)**	(1,780)	**(17,157)**	(16,378)	**(9,224)**	(9,947)	**(50,974)**	(54,027)	**(4,886)**	(5,429)	**(1,781)**	(1,599)
Non-current liabilities	**(2,204)**	(2,471)	**(1,099)**	(1,004)	**(50,688)**	(47,214)	**(4,045)**	(3,077)	**(116)**	(148)	**(798)**	(868)	**(2,994)**	(3,355)
Net assets	**19,446**	20,571	**11,488**	10,300	**26,575**	28,816	**16,496**	14,430	**20,376**	19,469	**7,432**	7,188	**4,099**	4,290
Non-controlling interest	**(1,077)**	(1,062)	**-**	-	**(5,400)**	(6,430)	**-**	-	**-**	-	**-**	-	**-**	-
Net assets attributable to the Parent Company	**18,369**	19,509	**11,488**	10,300	**21,175**	22,386	**16,497**	14,430	**20,376**	19,469	**7,432**	7,189	**4,099**	4,289
Percentage holding	**24.68%**		**23.74%**		**22.15%**		**25.24%**		**22.62%**		**29.22%**		**43.51%**	
Share of net assets	**4,533**	4,815	**2,727**	2,445	**4,690**	4,958	**4,164**	3,642	**4,609**	4,404	**2,172**	2,101	**1,783**	1,867
Carrying value	**4,469**	4,711	**2,909**	2,718	**7,239**	7,583	**5,394**	4,658	**4,660**	4,501	**2,311**	2,240	**4,438**	4,521

3 Investment in associates *(continued)*

Summarised statement of profit or loss and other comprehensive incomeof associates:

	Voltamp Energy SAOG		Al Maha Ceramics SAOG		Oman Chlorine SAOG		The National Detergent Company SAOG		Arabia Falcon Insurance SAOG		National Biscuit Industries SAOG		Alruwad International Education Services SAOC	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	RO'000	RO'000	**RO'000**	RO'000	**RO'000**	RO'000	**RO'000**	RO'000	**RO'000**	RO'000	**RO'000**	RO'000	**RO'000**	RO'000
Revenue and other income	**31,781**	34,651	**9,875**	9,056	**19,407**	15,704	**17,858**	20,439	**20,833**	18,720	**10,793**	13,591	**2,315**	2,456
Expenses	**(32,516)**	(35,031)	**(6,949)**	(7,261)	**(21,113)**	(16,476)	**(17,920)**	(19,390)	**(18,812)**	(16,789)	**(10,332)**	(12,507)	**(2,506)**	(2,640)
(Loss) / profit before tax for the year	**(735)**	(380)	**2,926**	1,795	**(1,706)**	(772)	**(62)**	1,049	**2,021**	1,931	**461**	1,084	**(191)**	(184)
Income tax	**67**	205	**(473)**	(270)	**(340)**	(257)	**4**	(157)	**(346)**	(262)	**(68)**	(164)	**-**	(7)
(Loss) / profit after tax for the year	**(668)**	(175)	**2,453**	1,525	**(2,046)**	(1,029)	**(58)**	892	**1,675**	1,669	**393**	920	**(191)**	(191)
Other comprehensive income/ (loss)	**(50)**	(132)	**-**	-	**(167)**	89	**2,975**	-	**263**	(530)	**-**	-	**-**	-
Total comprehensive income/ (loss)	**(718)**	(307)	**2,453**	1,525	**(2,213)**	(940)	**2,917**	892	**1,938**	1,139	**393**	920	**(191)**	(191)

(c) Movements in investments in associates are set out below:

2022	**Voltamp Energy SAOG**	**Al Maha Ceramics SAOG**	**Oman Chlorine SAOG**	**The National Detergent Company SAOG**	**Arabia Falcon Insurance SAOG**	**National Biscuit Industries SAOG**	**Alruwad International Education Services SAOC**	**Hormuz Al Anwar Cement SAOC**	**Total**
At 1 April	**4,711**	**2,718**	**7,583**	**4,658**	**4,501**	**2,240**	**4,521**	**40**	**30,972**
Share of (loss) /profit of associate	**(169)**	**583**	**(57)**	**(15)**	**379**	**115**	**(83)**	**-**	**753**
Share of other comprehensive income/ (loss)	**(13)**	**-**	**(22)**	**751**	**60**	**-**	**-**	**-**	**776**
Dividend received during the year	**(60)**	**(392)**	**(265)**	**-**	**(280)**	**(44)**	**-**	**-**	**(1,041)**
At 31 March	**4,469**	**2,909**	**7,239**	**5,394**	**4,660**	**2,311**	**4,438**	**40**	**31,460**

2021	Voltamp Energy SAOG	Al Maha Ceramics SAOG	Oman Chlorine SAOG	The National Detergent Company SAOG	Arabia Falcon Insurance SAOG	National Biscuit Industries SAOG	Alruwad International Education Services SAOC	Hormuz Al Anwar Cement SAOC	Total
At 1 April	4,932	2,657	7,736	4,649	4,477	2,015	4,603	40	31,109
Share of (loss) /profit of associate	(88)	362	23	225	377	268	(82)	-	1,085
Share of other comprehensive income/ (loss)	(33)	-	12	-	(120)	-	-	-	(141)
Dividend received during the year	(100)	(301)	(188)	(216)	(233)	(43)	-	-	(1,081)
At 31 March	4,711	2,718	7,583	4,658	4,501	2,240	4,521	40	30,972

4 Investments at fair value

	2022			2021		
	FVTPL	**FVOCI**	**Total**	FVTPL	FVOCI	Total
	RO'000	**RO'000**	**RO'000**	RO'000	RO'000	RO'000
Ominvest Perpetual Bonds - 7.75% (i)	**3,800**	**-**	**3,800**	7,000	-	7,000
DIDIC Unsecured Sub-ordinated Non-Convertible Bonds- 9% (ii)	**-**	**-**	**-**	-	1,000	1,000
Dhofar International Development and Investment Holding SAOG (iii)	**2,433**	**2,114**	**4,547**	3,938	1,814	5,752
Bank Dhofar SAOG	**-**	**1,031**	**1,031**	-	951	951
Almondz Global Securities Ltd. (India) (iv)	**1,536**	**-**	**1,536**	477	-	477
Al Ritaj Investment Company KSC (Kuwait)	**69**	**-**	**69**	73	-	73
Others	**90**	**-**	**90**	100	-	100
	7,928	**3,145**	**11,073**	11,588	3,765	15,353

i. Ominvest perpetual bonds carry interest at the rate of 7.75% per annum for the first five years from June 2019. After that date, the interest rate will be reset on agreed formula. The bonds are pledged as security against borrowings.
ii. Dhofar International Development and Investment Holding SAOG (DIDIC) bonds alongwith the interest of RO 143,159, were converted to equity shares during the year at the conversion price of RO 0.190 per share.
iii. The market value of DIDIC is RO 4.5 million and the share of net assets at 31 December 2021 is RO 8.13 million.
iv. Almondz Global Securities Ltd. (India) is carried at market value of RO 1.5 million.

The above investments classified between "fair value through profit and loss (FVTPL)" and "fair value through other compensative income (FVOCI)" are as follows:

	2022	2021
	RO'000	RO'000
FVTPL:		
- Quoted	**7,859**	11,515
- Unquoted	**69**	73
FVOCI:		
- Quoted	**3,145**	3,765
	11,073	15,353

Movement in investmentsat fair value is as follows:

	2022			2021		
	FVTPL	**FVOCI**	**Total**	FVTPL	FVOCI	Total
	RO'000	**RO'000**	**RO'000**	RO'000	RO'000	RO'000
At 1 April	**11,588**	**3,765**	**15,353**	12,078	3,665	15,743
Purchases during the year	**-**	**-**	**-**	-	141	141
Transferred from interest receivable - DIDIC bonds	**-**	**143**	**143**	-	-	-
Disposals during the year	**(3,192)**	**-**	**(3,192)**	(69)	-	(69)
Loss on disposal	**(8)**	**-**	**(8)**	(139)		(139)
Net unrealized loss for the year	**(460)**	**(763)**	**(1,223)**	(282)	(41)	(323)
At 31 March	**7,928**	**3,145**	**11,073**	11,588	3,765	15,353

4 Investments at fair value *(continued)*

Investments at fair value are analysed as follows:

	2022 RO'000	2021 RO'000
Banking and investment sector	**11,048**	15,330
Services sector	**19**	17
Industrial sector	**6**	6
	11,073	15,353

5 Property and other assets

	Freehold land RO'000	**Furniture and fixtures RO'000**	**Motor vehicle RO'000**	**Capital work-in-progress RO'000**	**Total RO'000**
Cost:					
At 1 April 2021	**1,948**	**48**	**-**	**302**	**2,298**
Additions during the year	**-**	**1**	**-**	**17**	**18**
Disposals during the year	**-**	**(2)**	**-**	**-**	**(2)**
At 31 March 2022	**1,948**	**47**	**-**	**319**	**2,314**
Accumulated depreciation:					
At 1 April 2021	**-**	**44**	**-**	**-**	**44**
Charge for the year (note 16)	**-**	**2**	**-**	**-**	**2**
Related to disposals	**-**	**(2)**	**-**	**-**	**(2)**
At 31 March 2022	**-**	**44**	**-**	**-**	**44**
Net book value:					
At 31 March 2022	**1,948**	**3**	**-**	**319**	**2,270**

	Freehold land RO'000	Furniture and fixtures RO'000	Motor vehicles RO'000	Capital work-in-progress RO'000	Total RO'000
Cost:					
At 1 April 2020	1,948	54	30	236	2,268
Additions during the year	-	1	-	66	67
Disposals during the year	-	(7)	(30)	-	(37)
At 31 March 2021	1,948	48	-	302	2,298
Accumulated depreciation:					
At 1 April 2020	-	49	30	-	79
Charge for the year (note 16)	-	2	-	-	2
Related to disposals	-	(7)	(30)	-	(37)
At 31 March 2021	-	44	-	-	44
Net book value:					
At 31 March 2021	1,948	4	-	302	2,254

(a) The freehold land is registered in the name of certain Directors of the Parent Company beneficially for, and on behalf of, the Parent Company. The Parent Company is currently in the process to transfer the land to one of its subsidiaries.

5 Property and other assets *(continued)*

(b) Capital work-in-progress represents amounts incurred for the purpose of construction of a 4 star hotel located in Azaiba, Muscat, Oman. The expenditure includes:

	2022 RO'000	2021 RO'000
Project consultancy charges	**175**	160
Hotel consultancy services	**30**	30
Design and other expenses	**48**	46
Staff costs	**30**	30
Manufacturing cluster	**36**	36
	319	302

6 Receivables and prepayments

	2022 RO'000	2021 RO'000
Prepayments, dividend and interest receivable	**1,041**	1,227
Due from related parties (Note 18)	**117**	117
	1,158	1,344

7 Share capital

The authorised share capital of the Parent Company comprises 300,000,000 (2021 - 300,000,000) shares of 100 baisas (2021 - 100 baisas) each. The issued and fully paid-up share capital consists of 200,000,000 shares (2021 - 200,000,000 shares) of 100 baisas (2021 - 100 baisas) each.

At the reporting date, details of shareholders, who own 5% or more of the Parent Company's share capital, are as follows:

	Number of shares held	2022 (%)	Number of shares held	2021 (%)
Fincorp Investment Company LLC	**47,356,209**	**24**	47,356,209	24
Brig (Rtd) Masoud Humaid Malik Al Harthy	**16,000,000**	**8**	16,000,000	8
Al Khonji Development & Investment LLC	**10,837,548**	**5**	10,837,548	5
Al Khonji Invest LLC	**9,996,837**	**5**	9,996,837	5
		42		42

8 Legal reserve

As required by Oman Commercial Companies Law of the Sultanate of Oman, 10% of the profit of the Parent Company and its subsidiaries for the year is transferred to legal reserve until such reserve equals to one- third of the issued and fully-paid up share capital. This reserve is not available for distribution.

9 Reserves

a) Equity investment reserve

The movement in equity investment reserve is as follows:

	2022 RO'000	2021 RO'000
At 1 April	**(1,932)**	(1,891)
Unrealised fair value losses during the year	**(763)**	(41)
At 31 March	**(2,695)**	(1,932)

9 Reserves *(continued)*

b) Associates' reserves

The Group has recognised its share of fair value reserve of other comprehensive income of associates. These relate to Voltamp Energy SAOG, Oman Chlorine SAOG, The National Detergent Company SAOG and Arabia Falcon Insurance SAOG.

	2022 RO'000	2021 RO'000
At 1 April	**1,456**	1,597
Unrealised fair value gains/ (losses) for the year	**776**	(141)
At 31 March	**2,232**	1,456

10 Bank borrowings

	2022 RO'000	2021 RO'000
Bank borrowings	**15,513**	18,725
Less: current portion	**(5,313)**	(10,150)
Non-current portion	**10,200**	8,575

	2021 RO'000	2020 RO'000
At 1 April	**18,725**	18,350
Borrowings obtained during the year	**12,800**	11,100
Repayment of borrowings during the year	**(16,012)**	(10,725)
At 31 March	**15,513**	18,725

The Parent Company has borrowings from four Omani Commercial Banks and one Omani Sharia compliant bank. The borrowings are in the nature of long-term and short-term loans. The commercial borrowings carry annual interest rates ranging from 5.25% to 6.5% per annum (2021 – 5.5% to 6.5%). The profit rate is 6.5% for the Sharia compliant borrowings. These borrowings are secured through pledge over investment of the Group in the aggregate amount of RO 31 million (2021 – RO 32 million) (Notes 3 and 4). The Parent Company has overdraft facilities of RO 1.1 million (2021 - RO 700 thousands) as at 31 March 2022.

11 Payables

	2022 RO'000	2021 RO'000
Accrued expenses	**74**	167
Contingency provision	**300**	100
Employees' terminal benefits (i)	**25**	28
	399	295

(i) Employees' terminal benefits	**2022 RO'000**	2021 RO'000
At 1 April	**28**	55
Charge for the year (Note 16)	**4**	7
Paid during the year	**(7)**	(34)
At 31 March	**25**	28

12 Net assets per share

Net assets per share is calculated by dividing the net assets attributable to the shareholders of the Parent Company by the weighted number of shares outstanding at the year-end as follows:

	2022	2021
	RO'000	RO'000
Net assets attributable to the shareholders of the Parent Company	**30,137**	30,966
Number of shares outstanding at 31 March ('000)	**200,000**	200,000
Net assets per share (in Baisas)	**151**	155

13 Loss per share

Basic loss per share is calculated by dividing the net loss for the year attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding during the year, as follows:

	2022	2021
	RO'000	RO'000
Loss for the year attributable to equity shareholders of the Parent Company	**(842)**	(275)
Weighted average number of shares outstanding during the year ('000)	**200,000**	200,000
Basic loss per share (in Baisas)	**(4)**	(1)

14 Net investment income

	2022	2021
	RO'000	RO'000
Realised (loss) / gain on sale of investments	**(8)**	(139)
Interest income from bonds	**544**	638
Fair value loss from local investments	**(1,515)**	(496)
Fair value gain from foreign investments	**1,055**	214
Dividend income	**19**	37
	95	254

15 Other income

	2022	2021
	RO'000	RO'000
Directors' sitting fees	**12**	26
Gain on sale other assets	**-**	3
	12	29

16 Administrative expenses

	2022	2021
	RO'000	RO'000
Employment costs (i)	**178**	235
Contingency provision	**200**	100
Fees and subscription	**32**	28
Office rent and utilities	**12**	12
Legal and professional fees	**23**	28
Meeting and seminar	**4**	8
Business promotion	**1**	7
Communication	**3**	3
Insurance	**4**	3
VAT expense	**6**	-
Depreciation (Note 5)	**2**	2
Recruitment and joining expenses	**9**	-
Miscellaneous expenses	**12**	15
	486	441

16 Administrative expenses*(continued)*

(i) The analysis of employment costs is as follows:

	2022	2021
	RO'000	RO'000
Salaries	**149**	203
Other benefits	**19**	21
Social security costs	**6**	4
Employees' terminal benefits (Note 11)	**4**	7
	178	235

17 Finance costs

	2022	2021
	RO'000	RO'000
Interest expense	**1,051**	1,078
Bank charges	**73**	39
	1,124	1,117

18 Related party transactions and balances

The Group enters into transactions with entities in which certain members of the Board of Directors have interest and are able to exercise significant influence. In the ordinary course of business, such related parties provide goods, services and funding to the Group. The Group also provides management services and funding to the related parties. These transactions are entered into on terms and conditions, approved by the Board of Directors.

The compensation to key management personnel for the year comprises:

	2022	2021
	RO'000	RO'000
Total employment costs	**139**	195
Directors' sitting fees	**76**	62
Expenses	**10**	10
	225	267

The Directors' sitting fees and remuneration are subject to the approval of the shareholders at the AnnualGeneral Meeting.

The amount due from a related partyis interest-free, unsecured and is repayable on demand as follows:

	2022	2021
	RO'000	RO'000
Hormuz Al Anwar Cement SAOC (Note 8)	**117**	117
	117	117

19 Taxation

The Company is liable to income tax at the rate of 15% (2021: 15%) on its taxable profits, in accordance with the Income Tax Law of the Sultanate of Oman. For the purpose of determining the tax provision, the net loss for the year has been adjusted for tax purposes. The adjustments are made to certain items relating to expenses and are based on the current understanding of tax provisions and regulations.

(a) Reconciliation is as follows:

	2022	2021
	RO'000	RO'000
Net loss before tax for the year	**(841)**	(275)
Tax charge at applicable rates	**(126)**	(41)
Non-deductible items	**82**	30
Deductible items	**(103)**	(155)
Deferred tax asset not recognised	**146**	166
	1	-

The Company has tax losses available for carry forward as at 31 March 2022 of approximately OMR 2,703 thousand (2021 - OMR 1,731 thousand). The Company is not recognising a deferred tax asset on the basis that the income of the Company is predominantly exempt from income tax and it will not have sufficient future taxable profits against which to utilise the tax losses. The tax losses are subject to expiry under the Oman Income Tax Law.

(b) Status of tax assessments:

The Parent Company's tax assessments have been completed by the Tax Authority upto the year 2018. The tax assessments of subsidiaries have been completed by the Tax Authority upto years 2017 and 2018.

The Board of Directors believe that any additional tax liability likely to arise on the completion of the assessments for the open years, would not be material to the financial position of the Group as at 31 March 2022.

In the Parent Company's tax assessment for the years 2015 to 2017 issued by the Tax Authority during last year, finance charges and administrative expenses incurred during those years were disallowed in full resulting in a total adjustment of RO 839,059 which has further reduced the carry forward losses. The Company disagrees with the Tax Authority's assessment and therefore has filed an objection against these assessments in which it has been rejected in form as submitted after the due date. However, the Company has filed an appeal before Tax Authorities and the outcome is still under process at the reporting date. Further, during the year, the Parent Company's tax assessment for the year 2018 has been completed and finance charges and administrative expenses incurred during that year have been allowed in full by the Tax Authority. Accordingly, the Board of Directors believe that these expenses will be allowed for open years and tax liability, if any will not be material to the financial position of the Group.

20 Proposed dividend

The Board of Directors have proposed cash dividend of RO 800 thousand (4 baisa per share) for the year 2022 (no dividend proposed for the year 2021) which is subject to the approval of shareholders in the forthcoming Annual General Meeting. Dividend for the year ended 31 March 2020 of RO 1.2 million (6 baisa per share) was paid during the year ended 31 March 2021 which was approved by the shareholders in the Annual General Meeting held on 30 June 2020.

21 Financial risk management

(a) Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Management recognises the critical importance of having efficient and effective risk management systems in place.

(b) Financial risks

The Group's principal financial instruments are listed and unlisted investments,receivables and cash and cash equivalents. The main risks arising from the Group's financial instruments are:

(i) Credit risk;
(ii) Liquidity risk; and
(iii) Market risk

- Price risk.
- Exchange rate risk;
- Interest rate risk; and

The Group reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

For all classes of financial assets held by the Group, the maximum credit risk exposure to the Group is the carrying value as disclosed in these consolidated financial statements at the reporting date.

The table below shows the short-term rating of the banks with which the Group places funds as published by Moody's Investors Services:

	Rating	**2022 RO'000**	2021 RO'000
Bank balances	P-1	**88**	54
	P-2	**-**	6
	P-3	**-**	3
		88	63

The maximum exposure to credit risk at the reporting date by type is shown as below:

	2022 RO'000	2021 RO'000
Receivables (excluding prepayments)	**1,019**	1,202
Due from related a party	**117**	117
Bank balances	**88**	63
	1,224	1,382

Bank balances and receivables are also subject to the impairment requirements of IFRS 9 and were assessed as such and the identified expected credit loss has been included within contingency provision.

21 Financial risk management *(continued)*

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet bank liabilities when they fall due. Liquidity requirements are monitored on a weekly basis and management ensures that sufficient funds are available, including unutilised credit facilities with banks, to meet any commitments as they arise.

Maturity profiles

The table below summarises the maturity profile of the financial liabilities of the Group based on remaining undiscounted contractual obligations. Repayments for which are subject to notice, are treated as if notice were to be given immediately.

2022	**Up to 1 year RO'000**	**Over 1 year RO'000**	**Total RO'000**
Bank borrowings (Note 10)	**5,313**	**10,200**	**15,513**
Accrued expenses	**74**	**-**	**74**
	5,387	**10,200**	**15,587**
2021			
Bank borrowings (Note 10)	10,150	8,575	18,725
Accrued expenses	167	-	167
	10,317	8,575	18,892

The maturity profiles of Group's financial assets are given below:

2022	**Within 1 year RO'000**	**Non fixed maturity RO'000**	**Total RO'000**
Investment in associates	**-**	**31,460**	**31,460**
Investments at fair value	**85**	**10,988**	**11,073**
Receivables	**1,158**	**-**	**1,158**
Cash and bank balances	**88**	**-**	**88**
	1,331	**42,448**	**43,779**
2021			
Investment in associates	-	30,972	30,972
Investments at fair value	95	15,258	15,353
Receivables	1,344	-	1,344
Cash and bank balances	63	-	63
	1,502	46,230	47,732

(iii) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in international and local equity and bond markets. In addition, the Group actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

21 Financial risk management *(continued)*

(iii) Market risk *(continued)*

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments.

As at the reporting date, the Group has no significant concentration of price risk.

A 5% change in fair value of the Group's quoted financial assets would have an impact on profit or loss of approximately RO0.39 million (2021 - RO0.58 million) and other comprehensive income of approximately RO 0.16 million (2021: RO 0.19 million).

Exchange rate risk

Exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at the reporting date, the Group is not exposed to any significant exchange rate risk except for an investment in India, as majority of the assets are in RO or the currencies pegged to the RO. Assuming all other variables remain constant, A 5 percent strengthening of the Rial Omani against the Indian Rupee at 31 March 2022 would have increased/decreasedloss by RO 76.8 thousand (2021: RO 23.9 thousand).

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group invests in securities that are subject to interest rate risk. Interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return on its interest-bearing securities.

At 31 March 2022, if interest rates at that date had been 100 basis points higher/lower with all other variables held constant, loss for the year would have been higher/lower by RO 155 thousand (2021 - RO 176 thousand).

(c) Fair value estimation

The table below analyses financial instruments that are measured subsequent to initial recognition at fair value, by valuation techniques. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: inputs for the asset or liability that are not based on observable market data.

	Level 1	**Level 2**	**Level 3**	**Total**
	RO'000	**RO'000**	**RO'000**	**RO'000**
2022				
Financial assets at fair value	**11,004**	**-**	**69**	**11,073**
2021				
Financial assets at fair value	15,280	-	73	15,353

21 Financial risk management *(continued)*

(iii) Market risk *(continued)*

(c) Fair value estimation (continued)

Level 3 investments are investments in shares of an unquoted company. The management values the investment using a discounted cashflow method. Management considers that the carrying value of the investment approximatesits fair value as significant portfolio of the underlying assets and liabilities of the investee companies are either fair valued or are in cash and cash equivalents where fair value approximates the carrying value. Therefore, unadjusted net assets value is representative of fair value of the investments.

22 Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks.

The Group has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes, etc. with a compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

23 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong net worth and healthy capital adequacy ratios.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The Group's approach to managing capital involves managing assets, liabilities and risks in a co-ordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital funds by the Group is equity shareholders' capital and bank borrowings. The capital requirements are routinely forecast on a periodic basis, and assessed against both the forecasted available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board of Directors. The Group has no significant changes in its policies and processes to its capital structure during the year compared to the previous year.

24 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimates are revised and in any future period affected. Such estimates are necessarily based on assumptions about several factors involving varying, and possibly significant, degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

24 Critical accounting estimates and judgements *(continued)*

(i) Impairment of financial assets

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for debt financial instruments not held at FVTPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset. Details of the Group's impairment method are disclosed in these consolidated financial statements.

(ii) Classification of financial assets

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair value estimation

The valuation techniques for unquoted equity investments make use of estimates such as future cash flows, discount factors, yield curves, current market prices adjusted for market, credit and model risks and related costs and other valuation techniques commonly used by market participants where appropriate.

(iv) Impact of COVID -19

On 11 March 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Supreme Committee of the Sultanate of Oman has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country from 22 March 2020.

COVID-19 interrupted the movement of people and goods throughout the world, as well as affecting the profitability and long-term viability of many entities. While many jurisdictions have experienced an improved economic outlook in 2021, many jurisdictions and industries are still being affected significantly by the effects of COVID-19. This includes supply chain disruptions, changes in demand for goods and services as well as the uncertainty of future government-imposed restrictions on operations.

Management is currently monitoring the situation and its impact on the Group's operations and its financial position and believes that, based on their assessment, the Group has sufficient liquidity from unutilised credit facilities available to continue to meet its financial commitments for the foreseeable future when they become due.

(v) Impairment of investment in associates

The Group recognises impairment on its investment in associate if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. The Group's management applies judgement in assessing such event. It may not be possible to identify a single, discrete event that caused the impairment. Rather, the combined effect of several events may have caused the impairment rather than any discrete event. Amongst other, such event include financial difficulty of associate or any significant changes in the technological, market, economic or legal environment in which the associate operates which indicates that the cost of the investment in the equity instrument may not be recovered. A decline in the quoted market price of the associate is not, of itself, is considered as an evidence of impairment by management, although it may be evidence of impairment when considered with other available information. The estimate and judgement involved in determination of impairment is mentioned in note "Impairment of non-financial assets" below.

24 Critical accounting estimates and judgements *(continued)*

(vi) Impairment of non – financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investment in associate. The key assumptions used to determine the recoverable amount for the different CGUs are further explained in Note 3.

25 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to each of the years presented in these consolidated financial statements, unless otherwise stated.

25.1 Basis of preparation

(a) These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), interpretations issued by IFRS Interpretations Committee (IFRIC), the requirements of the Commercial Companies Law and Regulations of the Sultanate of Oman and comply with the disclosure requirements set out in the Rules and Guidelines on Disclosure issued by the Capital Market Authority (CMA) of the Sultanate of Oman.

(b) These consolidated financial statements for the year ended 31 March 2022 comprise the Parent Company and its subsidiaries (together "the Group") and the Group's interest in associates.

(c) These consolidated financial statements have been prepared under the historical cost convention, as modified by investments measured at fair value.

(d) The preparation of these consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believedto be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in Note 24.

(e) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured and presented in Rial Omani being the currency of the primary economic environment in which the Parent company operates, which is the Parent Company's functional and presentation currency. All financial information presented in Rial Omani has been rounded to the nearest thousand unless otherwise stated.

(f) Transactions and balances

Transactions in foreign currencies are translated into Rial Omani and recorded at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Rial Omani at the foreign exchange rates ruling at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into Rial Omani at the foreign exchange rates ruling at the date of the transaction. Translation differences on non-monetary financial assets and liabilities are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

25 Summary of significant accounting policies

25.2 Standards, amendments and interpretations effective and adopted during the year

The following new standards, amendments to existing standards or interpretations to published standards aremandatory for the first-time and have been adopted in the preparation of the consolidated financial statements for the year ended 31 March 2022:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IFRS 4, 7, 9 and 16	Interest Rate Benchmark Reform	1 January 2021
Amendment to IFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021

Interest Rate Benchmark Reform (Amendments to IFRS 4, 7, 9 and 16)
The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

a) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
b) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
c) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

COVID-19-Related Rent Concessions (Amendments to IFRS 16)

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:
(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
(c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic was continuing, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021 with earlier application permitted. The Group does not have any long-term lease contracts and, hence, is not applicable to the Group.

25 Summary of significant accounting policies *(continued)*

25.3 Standards, amendments and interpretations issued but not yet effective during the year

The following new/amended accounting standards and interpretations have been issued, but are not mandatory and have not been adopted in preparing theconsolidated financial statements for the year ended 31 March 2022:

Standard or Interpretation	**Title**	**Effective for annual periods beginning on or after**
Amendments to IAS 37	Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IFRS 1, 9, 16 and IAS 41	Annual Improvements to IFRS 2018-2020	1 January 2022
Amendments to IFRS 3	References to Conceptual Framework	1 January 2022
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

The Group does not expect these standards issued by the IASB, but not yet effective, to have a material impact on the consolidated financial statements of the Group.

Early adoption of amendments or standards in the year 2021
The Group did not early-adopt any new or amended standards in the year ended 31 March 2022.

25.4 Basis of consolidation

(a) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired entity and the equity interests issued by the Group. Acquisition-related costs are expensed as incurred. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between the Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in consolidated shareholders' equity.

25 Summary of significant accounting policies *(continued)*

25.4 Basis of consolidation *(continued)*

(a) Subsidiaries *(continued)*

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights and significant representation on the Board of associate. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in profit or loss. Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements comprise those of the Parent Company drawn up to 31 March and its subsidiaries and associates drawn up to 31 December of preceding year using consistent accounting policies. Adjustments are made for the effects of significant transactions or other events, if any, that occur in the associates and the subsidiaries during the intervening period.

25.5 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

25 Summary of significant accounting policies *(continued)*

25.5 Financial instruments *(continued)*

25.5.1 Financial assets

The Group determines the classification of its financial assets at initial recognition. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows

(i) Classification

The financial assets are classified in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
b) those to be measured at amortised cost.
For assets measured at fair value, gains and losses are recorded in the Group's profit or loss or other comprehensive income.

(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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

The Group has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies debt instruments at amortised cost based on the below:
a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR).

Equity instruments

If the Group elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in the profit or loss as other income when the Group's right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss is recognised in profit or loss.

(iii) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

25 Summary of significant accounting policies *(continued)*

25.5 Financial instruments *(continued)*

25.5.1 Financial assets *(continued)*

(iv) Modifications of financial assets

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification doesn't result in derecognition and the Group recalculates the gross carrying amount based on the revised cash flows & the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If the cash flows are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

(v) De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group applies the Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments and are measured at amortised cost e.g. loans, deposits and trade receivables.

ECL is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Group expects to receive. The ECL considers the amount and timing of payments and hence a credit loss arises even if the Group expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit or loss even for receivables that are newly originated or acquired. Impairment of financial assets is measured as either 12 months ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represent the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that result from all possible default events over the expected life of the financial asset.

Receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Group uses the practical expedient in IFRS 9 for measuring ECL forreceivables using a provision matrix based on aging of thereceivables.

The Group uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the aging of the amounts that are past due and are generally higher for those with the higher aging.

25 Summary of significant accounting policies *(continued)*

25.5 Financial instruments*(continued)*

25.5.1 Financial assets*(continued)*

(vi) Income recognition

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

25.5.2 Financial liabilities

The Group determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

(i) Classification

The financial liabilities are classified in the following measurement categories:
a) those to be measured as financial liabilities at fair value through profit or loss; and
b) those to be measured at amortised cost.

(ii) Measurement

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR after considering the directly attributable transaction costs.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, and subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, lease liabilities and trade payables etc.

The Group's financial liabilities include bank borrowings and payables. The Group measures financial liabilities at amortised cost.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

25 Summary of significant accounting policies *(continued)*

25.6 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Any impairment loss on goodwill is recognised immediately as an expense and is not subsequently reversed.

25.7 Offsetting

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

25.8 Property and other assets

Property and other assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. The cost of property and equipment is their purchase price together with expenditures those are directly attributable to acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which these are incurred.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each class of property and other assets except land. The estimated useful lives are as follows:

	Years
Furniture and fixtures	4
Motor vehicles	4

Freehold land is carried at cost and is not depreciated as it is deemed to have an indefinite life.

The assets' residual values, depreciation methods and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting year.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written-down immediately to its recoverable amount.

Gains and losses on disposals of property and other assets are determined by reference to their carrying amounts, are recognised within 'other income' and are included in profit or loss.

25.9 Cash and cash equivalents

For the purpose of the consolidated cash flow statement, bank balances, including term deposits with a maturity of three months or less from the date of placement, are considered to be cash equivalents.

25 Summary of significant accounting policies *(continued)*

25.10 End-of-service benefits

End-of-service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2003 as amended, and in accordance with IAS-19, "Employee benefits". Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while that relating to end-of-service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in profit or lossas incurred.

25.11 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events; it is probable that an outflow of economic resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

25.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position date. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using effective interest rate.

Term loans are carried on the consolidated statement of financial position at their principal amount. Installments due within one year are disallowed as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in payables.

Short-term loans are carried on the consolidated statement of financial position at their principal amount. Interest is charged as an expense as it accrues, with unpaid amounts included inpayables.

25.13 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to new shares are shown in equity as a deduction, net of tax, from the proceeds.

25.14 Revenue

- Share of profit / (loss) from associates are recognised on the basis of their declared results.
- Interest income is recognised on a time proportion basis using the effective interest rate method.
- Interest on perpetual bonds is recognised on receipt.
- Dividend income from financial assets at fair value through profit or loss and other comprehensive income is recognised in the profit or loss when theGroup's right to receive payment is established.
- Unrealised gain / loss in the value of financial assets at fair value represents the difference between the present market value and the carrying amount of the assets determined on individual scrip basis usingweighted average cost of securities and is taken to the consolidated profit or loss or other comprehensive income.
- Realised gains / losses on financial assets at fair value are recognised and taken to profit or loss orother comprehensive income in the year of disposal of related securities.

25 Summary of significant accounting policies *(continued)*

25.15 Income tax

Income tax on the results for the year comprises of current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

Current tax charge recognised in the profit or loss is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are enacted currently and are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset in respect of tax losses carried forward is recognised where it is probable that future taxable profits will be available against which these tax losses can be reversed. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

25.16 Directors' remuneration

The Directors' remuneration is governed by the Commercial Companies Law and the rules prescribed by the Capital Market Authority.

25.17 Earnings per share

The Group presents basic and diluted 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 Parent Company by the weighted average number of ordinary shares outstanding during the year. 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.

25.18 Dividend distribution

Dividend distribution to the Parent Company's shareholders is recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the Parent Company's shareholders.

25.19 Operating segment

The Group does not have any operating segment.

26 Capital commitments

At 31 March 2022, the value of outstanding capital commitments amounted to RO 74 thousand (2021: 91 thousand).

27 Comparative figures

Certain comparative figures of the previous year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current year's consolidated financial statements. Such regrouping or reclassification did not affect previously reported net loss or owner's equity.

28 Subsequent events

Subsequent to the year end, the Board of Directors, in their meeting held on 21 April 2022, resolved to increase its share capital by RO 10 million. The Parent Company is in the process of obtaining approval from the regulatory authority for the rights issue. There were no other events occurring subsequent to 31 March 2022 and before the date of report that are expected to have a significant impact on these consolidated financial statements of the Group.