الأنوار للإستثمارات ش م ع ع

Al Anwar Investments SAOG

2023

Annual Report

His Majesty
Sultan Haitham bin Tarik

الأنوار للإستثمارات ش م ع ع

Al Anwar Investments SAOG

01

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

02

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 & sustainable Business Model.
- Enhancing Corporate Governance & ensuring adequate systems & procedures.
- Focusing on execution & operational excellence.

03

Our Core Values

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

الأنوار للإستثمارات شمعع
Al Anwar Investments SAOG

Annual Report 2022 - 23

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

Masoud Humaid Al Harthy
Chairman

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

Abdulredha Mustafa Sultan
Director & Chairman Audit Committe

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, 2023

Dear Shareholders,

On behalf of the Board of Directors, I have great pleasure in welcoming you to the 29th 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 2023.

Overview of the Group results

AAI 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. 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:

	2022-23	2021-22
	(OMR'000)	(OMR'000)
Total Income	2,426	1,320
Total Expenditure	(1,434)	(1,701)
Profit/ (loss) before Fair value loss	**992**	**(381)**
Fair value loss in financial assets	(638)	(460)
Income Tax	-	(1)
(Net Profit / (loss	354	(842)
Other Comprehensive Income	**1,615**	**13**
(Total Comprehensive Income/ (loss	1,969	(829)

- The Company reported a consolidated net profit of OMR 354,000 for year ended on 31st March 2023 as against a loss of OMR 842,000 for the year ended on 31st March 2022, mainly on account of improvement in the Share of Profit (SoP) from associate companies as compared to last year and a gain of OMR 493,407 from the sale of 5% stake of Al Maha Ceramics SAOG.
- During 2022-23, the Company invested in securities which have been classified as Fair Value through Other Comprehensive Income (FVOCI). The profits or loss from these investments are therefore classified in Other Comprehensive Income and do not impact the Net Profit/(loss) of the Company. The total value of the securities classified as FVOCI has increased to OMR 9,251,968 as of 31st March 2023 from OMR 3,145,693 as of 31st March 2022.
- As of 31 March 2023, a fair value gain of OMR 1,678,591 has been generated from investments classified as FVOCI and as result the total comprehensive income (Net Profit/(loss) plus Other Comprehensive Income) for year ended on 31st March 2023 is OMR 1,968,347 as against a loss of OMR 829,445 for the period ended on 31st March 2022
- The shareholders' equity at 31st March 2023 is OMR 31.3 million. Debt/ Equity ratio is a 0.55 compared to 0.51 in the previous year.
- Net assets per share as at 31st March 2023 is 157 baizas per share as against 151 baizas for the previous year.

Dividends

The company's accumulated profits (retained earnings) as of 31stMarch 2023, are OMR 5.6 million. The Board of Directors recommends a cash Dividend of 5% (Last year: 4%) and Stock Dividend of 3% (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, 2022 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

Associates

1. Al Maha Ceramics SAOG (AMC):

AMC reported revenue of OMR 9,977,477 for the year ended on 31st December 2022, as compared with OMR 9,821,837 for last year, an increase of 1.59%. Net profit after tax for the year is OMR 3,123,618 as compared to OMR 2,453,040 in the previous corresponding period, an increase of 27%, which is mainly due to increase to interest income on fixed deposits and savings in administrative expenses.

AAI has sold its 5% stake in the company during the year and recorded a realised gain of OMR 493,407. At the existing shareholding of 18.74%, our Board believes that AAI is still having significant influence on the company hence the investment continues to be classified as an Associate.

2. Voltamp Energy SAOG (VE):

VE reported revenues of OMR 35,842,036 during the year ended on 31st December 2022, an increase of 13.69% as compared to last year. VE reported a net loss (attributable to shareholders of Parent Company) of OMR 1,252,910 during the year as compared to loss of OMR 685,020 in last year. During the year competition in transformers business intensified and the increase in price of imported raw materials impacted the results of the company. During the year the company made a provision for identified risks on its receivables which has impacted the result of the company substantially.

3. Arabia Falcon Insurance Company SAOG (AFIC):

AFIC recorded Gross Written Premium of OMR 21,522,574 during the year ended on 31st December 2022 as compared to OMR 19,063,179 for the last year, a growth of 13%. The Net profit after tax for the period is OMR 1,048,611 against OMR 1,675,511 of last year, a decrease of 37%, due to increase in Unearned Premium Reserve (UPR) and increase in Motor claims, caused by higher spare parts cost and increase in number of claims. The company has been restructuring its portfolio to phase-out large loss-making accounts coupled with concerted efforts to write new businesses.

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

The Company has reported lower revenue and a marginal loss for the twelve months period ended on 31 January 2023 as compared to loss of last year. This is primarily due to lower number of students enrolled in the school during academic year.

The school has entered into Memorandum of Understanding (MoU) with Ellesmere School, United Kingdom and signed the Governance agreement on 4th November 2022. 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 14,114,615 for the twelve months period ended on 31st December 2022 as against OMR 10,602,000 of last year, an improvement of 33% from last year. However, the net profit for the period declined to OMR 143,922 as against OMR 393,000 for the same period of last year, due to an increase in commodity prices, overheads and sharp increase in freight costs across all markets. The NABIL brand along with the new value-added portfolio of products enjoys a significant brand image in Oman market and has a good brand presence across the GCC markets and other regions as well.

6. National Detergent Co. SAOG (NDC):

NDC reported revenues of OMR 19,641,345 for the year ended 31st December 2022 as compared to last year's 17,768,828, a growth of 11%. The Company reported a net loss of OMR 440,334 as compared to net loss of OMR 57,903 of last year. The major reasons for the loss include higher input costs and logistic costs due to global geo-political situation and higher crude oil prices in first half of the year. With the strong efforts of the management, the company was able to take effective measures to reduce various costs and overheads. The flagship brand BAHAR maintained its premier market position in Oman.

7. Oman Chlorine SAOG (OC)

Oman Chlorine Group has reported revenue of OMR 31,359,462 for the year ended 31st December 2022 as compared with OMR 19,663,444 in the previous period, a growth of 59%. The net profit (Attributable to Parent Company Shareholders) for the period is OMR 3,919,497 as compared to loss of OMR 258,052 in the previous period. This significant Increase in revenue and profitability is mainly as a result of improvement in performance reported by the subsidiaries located in UAE and Qatar.

The Oman operation reported a net profit of OMR 2,685,042 compared to previous period of OMR 1,830,204 a growth of 47%. The enhanced capacity of the Caustic Soda Plant from 45 MTPD to 75 MTPD has led to higher customer retention and improved revenues whilst cost efficiency has improved. The company consistently maintained the capacity utilization of the plant above 100% for both the plants on combined basis.

Union Chlorine LLC, UAE, a subsidiary, has increased net profit of OMR 1,118,710 for the year ended on 31st December 2022, compared to loss of OMR 878,465 in previous period. The parent company's share of profit is OMR 670,108. The plant operating at capacity utilization of 103%, the revenue was higher while capitalizing on the international demand and securing more contracts at higher realizations.

Gulf Chlorine WLL, Qatar, a subsidiary, has increased net profit to OMR 1,109,532 during the year ended 31st December 2022, compared to loss of OMR 3,030,000 in previous period. The parent company's share of profit is OMR 565,862. 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 has further strengthened its long-term agreements and its position with the major players in Qatar.

Other significant investments

1. Ominvest perpetual bonds

AAI held Ominvest perpetual bonds of OMR 1,517,874 as of 31st March 2023. Bonds are carrying an interest rate of 7.75% per annum payable twice a year in June and December. Ominvest declared that the Bonds will be redeemed on 6th June 2023. For the year ended as on 31st March 2023, AAI earned interest amounting to OMR 258,751.

2. Bank Dhofar SAOG

AAI has an equity stake of 1.47% in Bank Dhofar at carrying value of OMR 7,029,098 as at 31st March 2023. The investment is classified at fair value. The Bank has reported total operating Income of OMR 91.7mn, an improvement of 11% from last year's OMR 82.4mn. Net profit after tax for the year is OMR 33.1mn as compared to OMR 27.6mn in the previous corresponding period, an increase of 20%.

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

AAI has an equity stake of 6.84% in DIDIC at carrying value of OMR 4,499,902 as at 31st March 2023. The investment is classified at fair value. The company has achieved consolidated net profits (Attributable to parent shareholders) of OMR 9,690,895 for the year 2022, as compared to net profit of OMR 3,884,632 of last year. The reason for the increase in the profits is due to an increase in realized profit from selling some assets at fair value through profits and losses, an increase in the share of profits from the associate companies, in addition to decrease in borrowing costs.

4. 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 851,931 as at 31st March 2023.

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 2023 is 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

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PO Box 1176, Ruwi, PC 112
Sultanate of Oman

**AGREED-UPON PROCEDURES REPORT ON CODE OF CORPORATE GOVERNANCE
TO THE SHAREHOLDERS OF AL ANWAR INVESTMENTS SAOG**

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Al Anwar Investments SAOG ("the Company") in determining whether the Company is compliant with the Code of Corporate Governance (the "Code") of the Capital Market Authority ("CMA"), as prescribed in the CMA Circular No. E/10/2016 dated 1 December 2016 and may not be suitable for another purpose.

Responsibilities of the Company

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company (also the Responsible Party) is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioners' Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company and, reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or sufficiency of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Management

We have complied with the ethical and independence requirements 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).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and, accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BDO

AGREED-UPON PROCEDURES REPORT ON CODE OF CORPORATE GOVERNANCE
TO THE SHAREHOLDERS OF AL ANWAR INVESTMENTS SAOG

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the terms of our engagement letter on the compliance with the requirements of the Code and report to you the findings resulting from our work:

S. No	Procedures	Findings
(a)	We obtained the Corporate Governance Report ("the Report") issued by the Board of Directors and compared it to Annexure 3 of the Code to determine whether the Report includes as a minimum, all items suggested by the CMA in Annexure 3.	No exceptions were noted.
(b)	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 in the section "Details of non-compliance by the Company", together with the reasons for such non-compliance for the year ended 31 March 2023.	No exceptions were noted.

Muscat
31 May 2023

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

Manvinder Singh
Partner
M. No: 400961
ICAI, India

Report on Corporate Governance

for the year ended 31 March 2023

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 2023, 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 2023 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 six times during the year. The meetings were held on 21 April 2022, 29 May 2022, 7 August 2022, 14 November 2022, 6 February 2023 and 21 March 2023.

Sr.	Name of the Director	Position	AGM	Number of meetings attended			Number of Directorship in other listed companies
			Held on 23.06.2022	Board	NREC	AC	
1	Brig. (Rtd.) Masoud Humaid Al Harthy	Chairman	Present	6	-	-	1
2	Dr. Shabir Moosa Al Yousef	Dy. Chairman & Chairman NREC	Present	6	8	-	3
3	Mr. Abdulredha Mustafa Sultan	Director & Chairman AC	Present	6	-	4	1
4	Mr. Qaboos Abdullah Al Khonji	Director & NREC Member	Present	6	8	-	3
5	Sheikh Mohamed Abdullah Al Rawas	Director & NREC Member	Present	5	6	-	1
6	H.H. Sayyid Fahar Bin Fatik Al Said	Director & AC Member	Present	6	-	4	1
7	Mr. Faisal Mohamed Al Yousef	Director and AC Member	Present	6	-	4	3

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**

The NR&EC is delegated powers and authority to facilitate the smooth running of the operations of the Company and exercise all 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 every year.

The NR&EC met eight times during the year on 14 April 2022, 29 May 2022, 27 June 2022, 7 August 2022, 14 September & 2 October 2022, 13 Nov 2022, 6 February 2023 and 21 March 2023.

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

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**

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 sound knowledge of risk management, governance, finance and accounting. The terms of reference (Charter) of the Audit Committee are in accordance with the Regulation for Public Joint Stock Companies issued by CMA. The working plan of the committee is approved by the Board every year.

Major areas covered by the Audit Committee are matters concerning:

i. Consideration and recommendations for appointment of Internal and External Auditors,
ii. Reviewing of audit plans and audit reports;
iii. Oversight of internal audit functions to comply with all the requirements of internal audit as per Regulation for Public Joint Stock Companies issued by CMA;
iv. Oversight of adequacy of internal control systems and financial statements;
v. Ensuring adequate procedures are in place to detect and prevent any cases of financial fraud or forgery;
vi. Checking financial frauds;
vii. Reviewing annual and quarterly financial statements and qualifications, if any, before issuing;
viii. Critical review of non-compliance of IFRS and disclosure requirements prescribed by CMA;
ix. Reviewing risk management policies and related party transactions;
x. Serving a channel between internal and external auditors and the Board.

The Audit Committee met four times during the year on 26 May 2022, 3 August 2022, 6 November 2022, and 29 January 2023.

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

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

He holds PhD and Master of Research in Economics from University of Essex (UK), MBA in Finance from University of Lincolnshire & Humberside (UK), Master of Science from Colorado

School of Mines (U.S.A), and Bachelor's Degree in Electronics and Communications from Sultan Qaboos University.
Previously, he held many senior positions such as Chief Executive Officer of Oman Investment & Finance Co. SAOG, General Manager of Damac Holding in U.A.E, Group General Manager Truck Oman LLC, and a Petroleum Engineer post in Petroleum Development Oman (PDO).
He is currently the Vice Chairman of the Board of Al Anwar Investments SAOG, the Vice Chairman of Arabia Falcon Insurance Company SAOG, the Vice Chairman of Al Maha Ceramics SAOG, the Vice Chairman of Oman Chlorine SAOG, and a Board member in Cactus Premier Excavation Services Company SAOC. He is also a member of General Secretaire of the Tender Board
During his career, he was also a Board member of Bank Sohar SAOG, Financial Corporation Co. SAOG, and Chairman of National Aluminum Products Company 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' Organization. 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 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 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 Tageer Finance Co. SAOG (2008 -2014) & Al Maha Ceramics Co. SAOG (2010-2023). He also has held Deputy Chairman's position at OIFC SAOG (2008-2014).

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 Director of the Branch Affairs Department 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 Al Yousef 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 an Executive MBA from Oxford university (Said Business School) 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 Al Yousef represents AYG on the boards of various investee companies, including Chairman of Muscat Finance, Deputy Chairman in Al Ruwad International for Education Services and Cactus Premier Drilling Services and a Board member of Dhofar International Development and Investment Company, Bank Dhofar, and Al Anwar Investments. He is also the Executive Director of Muscat Electronics. Throughout Faisal Al Yousef's career he was involved with at least two green field projects. These are today listed on the Muscat Stock Exchange. Faisal Al Yousef brings with him two decades of experience in banking and finance and insurance and investments.
Faisal is also involved with a number of voluntary works including the Oman Tennis Association and Board of Governors of the Government Schools in Muttrah."

6. Board Evaluation

The Code requires that the Board of Directors performance is appraised impartially and independently by a third party appointed by the AGM in accordance with a benchmark and standards set by the Board or the general meeting. The AGM held on 23rd June 2023 approved the appointment of an independent third-party, Baker Tilly MKM (Oman) LLC, as per the evaluation framework parameters. The appointed consultants carried out the evaluation exercise during the year and presented a report with recommendations and concluded that "the Board as a whole has resulted in a **Very Satisfactory** score for the year 2022-2023".

7. 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.

8. Management

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

9. Brief profile of top management personnel with executive powers

Khalid Abdullah Al Eisri, Chief Executive Officer

He is Chartered Financial Analyst (CFA) and holds a Bachelor's degree in Finance from Sultan Qaboos University. He has more than 17 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, Voltamp Energy SAOG, and Al Ruwad International for Education Services 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 twenty 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 28 years of experience in insurance, management, HR, administration and Governance and compliance. Holds General Diploma certificate and a certificate in Human Resource Management. He Attended several training courses, workshops and conferences in various fields like Governance and compliance, Human Resource, Executive Management skills and Effective Leadership. Also attended many conferences and seminars organized by Muscat Stock Exchange Securities Market and Capital Market Authority, Omani Securities Association, Oman Centre for Governance and Sustainability and other government and private bodies. Held directorship in Al Anwar Industrial Investments SAOC and Al Anwar Hospitality SAOC. He also has extensive experience in establishing companies in all their legal forms.

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.

10. 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).

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.

11. Remuneration matters

a. The meeting attendance fee was paid as approved by shareholder in AGM held on 23 June 2022. A total of OMR 70,000 (FY 2021-22: OMR 75,850/-) was paid to Directors for meetings attended during the period 1 April 2022 to 31 March 2023.

b. A sum of OMR NIL (FY 2021-22: 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 2022-23 was OMR 193,195 (The top four for FY 2021-22: OMR 138,843).

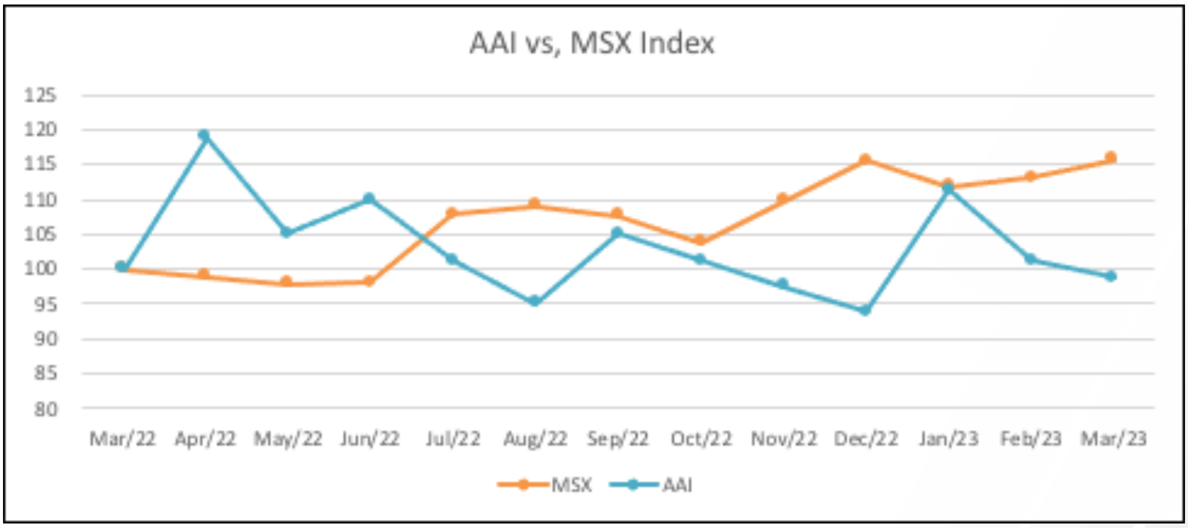
d. The Board recommend Directors' remuneration of OMR 64,500 for the year 2022-2023. (FY 2021-2022: OMR NIL).

12. Details of non-compliance by the Company

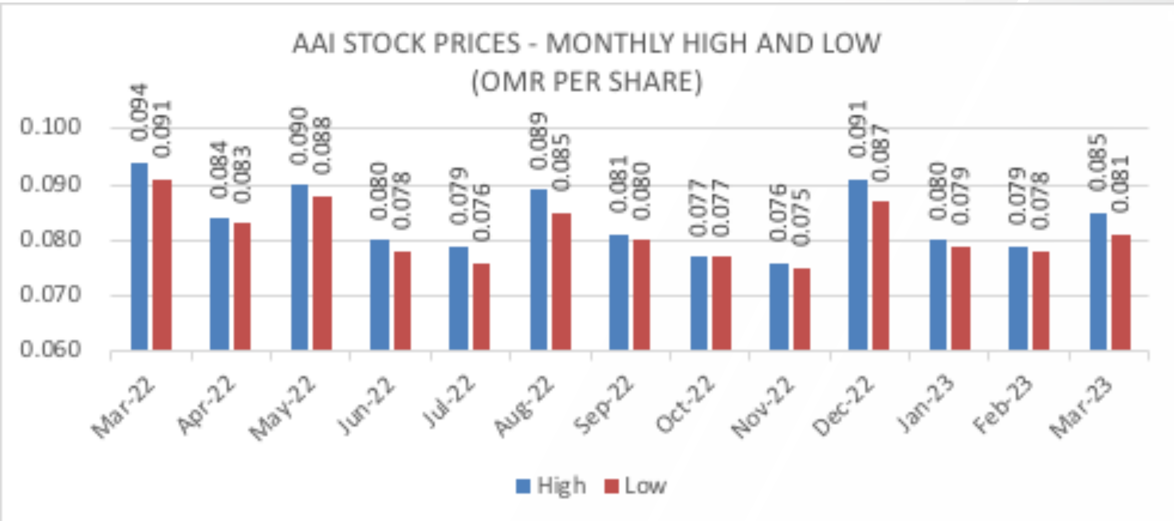
No penalties have been imposed by CMA or MSX or any other statutory bodies on the company during the year 2022-23

13. 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 2023 was as under:



14. Distribution of Shares

The share holding pattern as on 31 March 2023 is as given below:

Distribution	No of Shareholders	of Shareholders %	No of Shares	of No. of % Shares
to 50,000 1	1,484	85%	12,339,436	6%
to 100,000 50,001	96	5%	7,234,217	4%
to 200,000 100,001	74	4%	10,868,503	5%
to 500,000 200,001	55	3%	16,554,318	8%
Above & 500,001	42	2%	153,003,526	77%
Grand Total	**1,751**	**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.

15. Corporate Social Responsibility (CSR)

Al Anwar Investments SAOG is committed to support the society and environment. During the year, company has contributed OMR 10,000.

16. 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 111,000 employees working in a global network of 1,800 offices situated in 164 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, 2023 and the report on compliance with the corporate governance law amounted to OMR 8,000.

17. 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.

18. 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 2023. The Board of Directors has concluded based on this those internal controls operated effectively throughout the year.

For Al Anwar Investments SAOG

Brig. (Rtd.) 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-nine 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 2022 was a challenging year for Oman's economy due to the rise of global interest rates at an unprecedent rate, high inflation and the disruption that has taken place due to the war in the Ukraine. Nonetheless, oil prices since December 2021 have recovered to a large extend and have been trading at around USD 70-80 per barrel. The increase in oil prices and the reopening of business activity has as a result and in spite of the challenges improved the economic activity in 2022.

- Total public revenue in 2022 increased to OMR 14.2 billion (34.5% increase from last year). Total public spending in 2022 was estimated to be OMR 13.1 billion (8.3% higher than 2021 and 7.9% higher than the budget). A surplus of OMR 1.1 billion was recorded in 2022 versus a deficit of OMR 1.5 billion in the prior year.

- Oman's Government announced a Budget for 2023 with total of revenue of OMR 10.5 billion, expenditure of OMR 11.35 billion and a fiscal deficit of OMR 1.3 billion. The 2023 budget aims to further strengthen financial and economic stability through economic diversification policies, employment generation, improved credit rating and by other polices and legalization that will support Oman to achieve its Vision 2040

PERFORMANCE OVERVIEW OF MUSCAT STOCK EXCHANGE INDEX (MSX)

In the last 5 years MSX 30 Index increased by 2.2% from 4,750 in April 2018 to 4,854 in March 2023.

MARKET CAPITALIZATION (OMR' Billion)

Description	Mar-21	Mar-22	Mar-23
Banking and Investments	3.07	4.19	4.83
Services	1.22	1.24	1.35
Industry	0.25	0.38	0.28
Total Market capitalization	**4.54**	**5.81**	**6.46**

Since March 2022, the total market capitalisation of MSX has increased by approximately OMR 0.65 billion. This is primarily due to increase in the market capitalization of Bank Muscat, Sohar International, Omantel, NBO and Bank Dhofar.

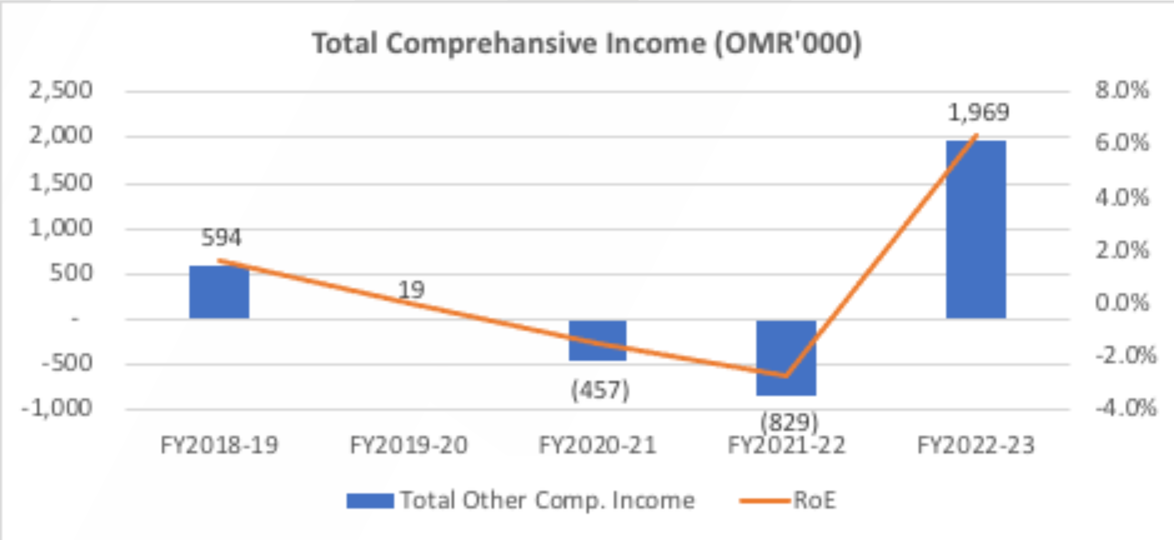
The value of traded securities during 2022 reached OMR 0.94 billion an increase of 14.92% compared with last year.

OPPORTUNITIES

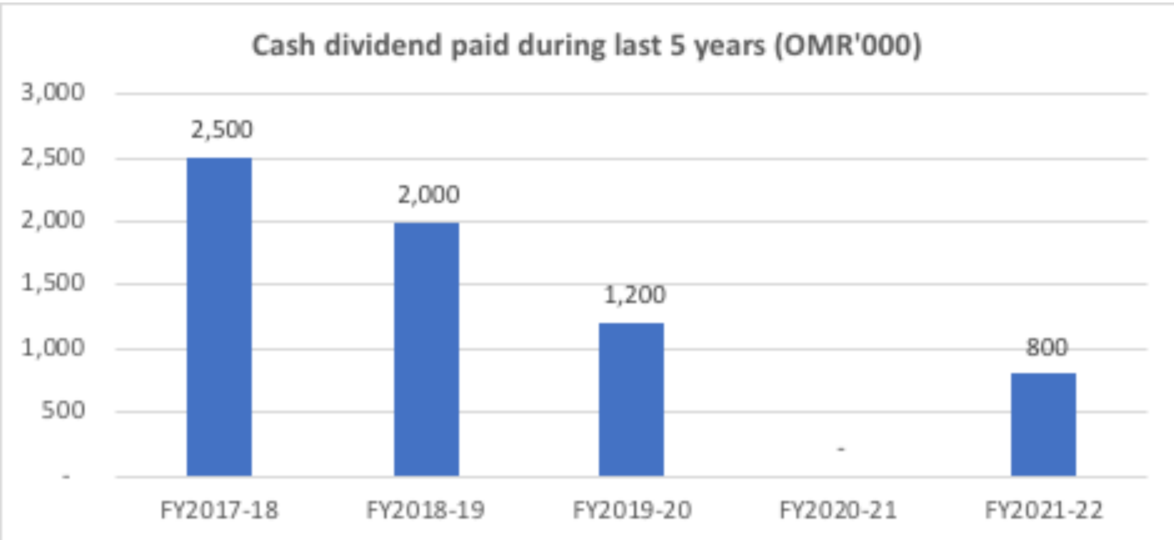
AAI remains cautiously optimistic on Oman economy. We are aware that the current economic environment represents an opportune time to invest in sectors that will benefit from the recovery of Oman's economy.

PERFORMANCE ANALYSIS

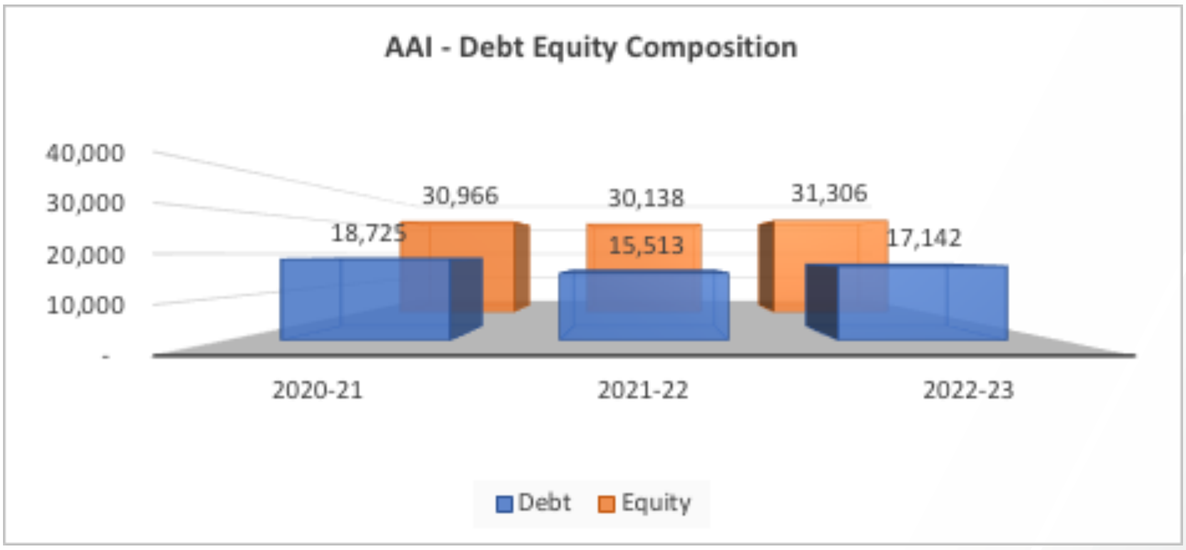
The profitability for the year ended 31st March 2023 was improved mainly on account of fair value gain on our investment classified at fair value.



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.

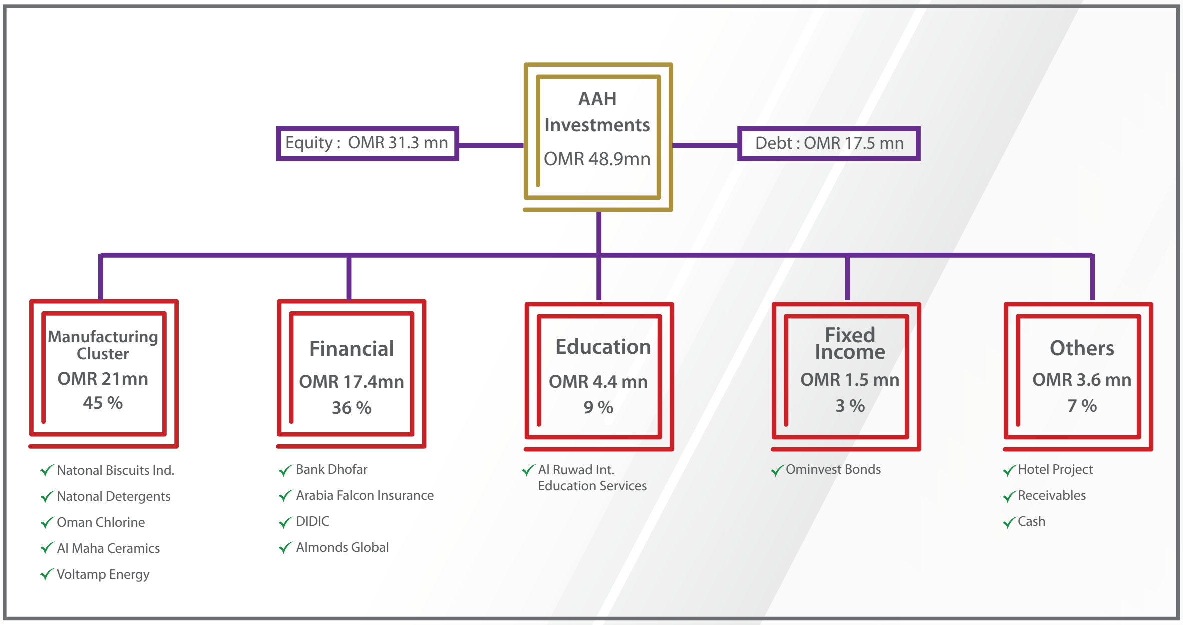


Growth in our investment portfolio over the years has been achieved whilst maintaining a manageable leverage position. As of 31st March 2023, our Debt/ Equity ratio was 0.55.



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. 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 2023 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 2023 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%	4,093	(309)	-	4,097
Al Maha Ceramics Company SAOG (*)	18.74%	2,470	742	(467)	2,017
Arabia Falcon Insurance Co. SAOC	22.62%	4,754	237	(140)	4,423
Oman Chlorine SAOG	22.11%	7,722	868	(377)	4,915
The National Detergent co. SAOG	25.24%	5,283	(111)	-	4,052
National Biscuit Industries SAOG	29.22%	2,280	42	(73)	2,141
Al Ruwad International Education Services SAOC	43.51%	4,406	(32)	-	1,752

(*) During the year AAI sold 5% of AMC at the end of Mach 2023, whereby the shareholding has reduced from 23.74% to 18.74%. AAI still classified AMC as an associate as it continues to retains significant influence by the way of its representation on the Board of Directors and participation in the decision making of the associate.

Other Investments

Name of the Company (OMR'000)	Holding %	Carrying Value	Fair Value Gain	Dividend	Income	Share of Net Assets
Bank Dhofar	1.47%	7,029	1,626	225	-	8,215
DIDIC	6.84%	4,700	97	-	-	8,728
Ominvest Bonds	2.50%	1,518	-	-	259	1,518
Almondz	11.94%	852	(684)	-	-	1,131

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

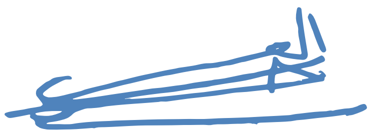
RISKS AND CONCERNS

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.

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

Consolidated Financial Statements
31 March 2023

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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 2023, 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 2023, 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.

Carrying value of Investment in Associates

The Group has investments in associates of RO 31.04 million as at 31 March 2023. The carrying value of certain associates is substantially higher than the Group's proportionate interest in net assets of those associates and fair value based on quoted price of associates listed on Muscat Stock Exchange (Refer Note 3). These conditions may 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)

Carrying value 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 may be impaired.

Management determines 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 growth rates by reference to internal and external data;
- used our own internal valuation specialists 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 recognised the share of results of associates of RO 1,436,000 and share of other comprehensive loss of RO 64,000 for the year ended 31 March 2023 (Refer Note 3).

In accordance with IAS 28 when the reporting period of an 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 group 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 and 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 significant associates.

Other Information
Management is responsible for the other information. The other information comprises the Directors' 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 Capital Market Authority, the Commercial Companies Law and Regulations of the Sultanate of Oman 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.

BDO

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, these financial statements as at, and for the year ended, 31 March 2023, in all material respects, comply with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman and relevant disclosures requirements of the Capital Market Authority.

BDO

Muscat
31 May 2023

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

Manvinder Singh
Partner
M. No: 400961
ICAI, India

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 RO'000	2022 RO'000
ASSETS			
Investment in associates	3	**31,048**	31,460
Investments at fair value	4	**14,176**	11,073
Property and other assets	5	**2,308**	2,270
Receivables and prepayments	6	**1,116**	1,158
Cash and bank balances		**183**	88
TOTAL ASSETS		**48,831**	46,049
EQUITY			
Share capital	7	**20,000**	20,000
Legal reserve	8	**4,603**	4,568
Equity investment reserve	9	**(1,016)**	(2,695)
Associates reserve	9	**2,168**	2,232
Retained earnings		**5,551**	6,032
Total equity		**31,306**	30,137
LIABILITIES			
Bank borrowings	10	**17,142**	15,513
Payables	11	**383**	399
Total liabilities		**17,525**	15,912
TOTAL EQUITY AND LIABILITIES		**48,831**	46,049
Net assets per share (in Baisas)	12	**157**	151

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 28 May 2023.

CHAIRMAN	DIRECTOR	CHIEF EXECUTIVE OFFICER

The notes on pages 44 to 69 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 2023

	Notes	**2023 RO'000**	2022 RO'000
Share of results of associates	3	**1,436**	753
Net investment income	14	**330**	95
Other income	15	**23**	12
Net income		**1,789**	860
Administrative expenses	16	**(312)**	(486)
Finance costs	17	**(1,043)**	(1,124)
Corporate social responsibility expenses		**(10)**	(15)
Directors' fees and remuneration	18	**(70)**	(76)
Total expenses		**(1,435)**	(1,701)
Profit/(loss) for the year		**354**	(841)
Income tax	19	**-**	(1)
Net profit/(loss) for the year		**354**	(842)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Share of other comprehensive (loss) / income of associates	3	**(64)**	776
Net change in value of investments at fair value through other comprehensive income	4	**1,679**	(763)
Other comprehensive income for the year		**1,615**	13
Total comprehensive income and net profit/(loss) for the year		**1,969**	(829)
Earnings/(loss) per share (in Baisas)	13	**2**	(4)

The notes on pages 44 to 69 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 2023

	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 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**
Net profit for the year	-	-	-	-	**354**	**354**
Other comprehensive income						
Share of other comprehensive loss of associates	-	-	-	**(64)**	-	**(64)**
Net increase in value of investments at fair value through other comprehensive income	-	-	**1,679**	-	-	**1,679**
Total comprehensive income for the year	-	-	**1,679**	**(64)**	**354**	**1,969**
Transfer to legal reserve	-	**35**	-	-	**(35)**	-
Transactions with shareholder's recorded directly in equity						
Dividend paid	-	-	-	-	**(800)**	**(800)**
At 31 March 2023	**20,000**	**4,603**	**(1,016)**	**2,168**	**5,551**	**31,306**

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 2023

	Notes	2023 RO'000	2022 RO'000
Operating activities			
Dividend and other income		**1,663**	1,652
Cash paid for administrative expenses		**(469)**	(465)
Net cash generated from operating activities		**1,194**	1,187
Investing activities			
Purchase of other assets	5	**(39)**	(18)
Proceeds from disposal of investments	4	**3,582**	3,192
Purchase of investments	4	**(4,428)**	-
Net cash (used in)/from investing activities		**(885)**	3,174
Financing activities			
Dividend paid to shareholders	20	**(800)**	-
Finance costs	17	**(1,043)**	(1,124)
Proceeds from borrowings	10	**20,750**	12,800
Repayment of borrowings	10	**(19,121)**	(16,012)
Net cash used in financing activities		**(214)**	(4,336)
Net change in cash and cash equivalents during the year		**95**	25
Cash and cash equivalents at beginning of year		**88**	63
Cash and cash equivalents at end of year		**183**	88

The notes on pages 44 to 69 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 and Regulations 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.

Investment in subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and its following subsidiaries. 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

2 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 issued by the Capital Market Authority (CMA) of the Sultanate of Oman.

(b) These consolidated financial statements for the year ended 31 March 2023 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 believed to 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.

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

3 Investment in associates

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

Name of associates	Principal activity	% Holding	Carrying value	Market value	Carrying value	Market value
			2023 RO'000	**2023 RO'000**	2022 RO'000	2022 RO'000
Quoted						
Voltamp Energy SAOG	Manufacture of electrical equipment	**24.68**	**4,093**	**2,109**	4,469	2,491
Al Maha Ceramics SAOG	Manufacture of ceramic tiles	**18.74 (2022-23.74)**	**2,470**	**4,329**	2,909	6,397
Oman Chlorine SAOG	Manufacture of chemicals	**22.15**	**7,722**	**8,163**	7,239	3,651
The National Detergent Company SAOG	Manufacture of detergents	**25.24**	**5,283**	**2,705**	5,394	2,533
Arabia Falcon Insurance SAOG	Insurance	**22.62**	**4,754**	**2,851**	4,660	2,687
National Biscuit Industries SAOG	Manufacture of biscuits	**29.22**	**2,280**	**1,026**	2,311	1,166
Total quoted			**26,602**	**21,183**	26,982	18,925
Unquoted						
Alruwad International Education Services SAOC	Education	**43.51**	**4,406**	N/A	4,438	N/A
Hormuz Al Anwar Cement SAOC	Manufacture of cement	**40**	**40**	N/A	40	N/A
Total unquoted			**4,446**	N/A	4,478	N/A
Total			**31,048**		31,460	

(i) During the year, the Group sold 5% of its share in Al Maha Ceramics SAOG(Al Maha) whereby the shareholding has reduced from 23.74% to 18.74% effective 28 March 2023. The Group still considers Al Maha as an associate as it retains significant influence by way of its representation on the Board of Directors and participation in the decision making of the associate. The share of profit for the year 2022 has been calculated at 23.74% (since disposed in March 2023) and share of net assets at 31 March 2023 has been calculated at 18.74%.

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 18%;
ii) Terminal value based on assumption that cash flow shall grow at 2.5%; and
iii) The discount factor in determining the recoverable amount ranges from 10.3% to 13.4%.

The financial information for the associates is considered as on 31 December 2022, except for Alruwad International Education services SAOC which is considered as on 31 January 2023.
Summarised statement of financial position of associates is as follows:

	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	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	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
Current assets	**25,990**	32,861	**7,669**	7,610	**13,744**	13,050	**11,354**	10,486	**48,112**	46,395	**7,139**	7,408	**1,501**	1,630
Non-current assets	**12,098**	12,491	**8,956**	6,995	**80,057**	81,370	**18,673**	19,279	**19,371**	25,071	**7,666**	5,708	**7,015**	7,244
Current liabilities	**(18,992)**	(23,702)	**(3,789)**	(2,018)	**(15,086)**	(17,157)	**(9,999)**	(9,224)	**(37,608)**	(50,974)	**(6,695)**	(4,886)	**(1,736)**	(1,781)
Non-current liabilities	**(1,542)**	(2,204)	**(975)**	(1,099)	**(47,597)**	(50,688)	**(3,972)**	(4,045)	**(9,701)**	(116)	**(784)**	(798)	**(2,754)**	(2,994)
Net assets	**17,554**	19,446	**11,861**	11,488	**31,118**	26,575	**16,056**	16,496	**20,174**	20,376	**7,326**	7,432	**4.026**	4,099
Non-controlling interest	**(953)**	(1,077)	**-**	-	**(7,187)**	(5,400)	**-**	-	**-**	-	**-**	-	**-**	-
Net assets attributable to the Parent Company	**16,601**	18,369	**11,861**	11,488	**23,931**	21,175	**16,056**	16,496	**20,174**	20,376	**7,326**	7,432	**4,026**	4,099
Percentage holding	**24.68%**		**18.74%**	23.74%	**22.15%**		**25.24%**		**22.62%**		**29.22%**		**43.51%**	
Share of net assets	**4,097**	4,533	**2,223**	2,727	**5,301**	4,690	**4,052**	4,164	**4,563**	4,609	**2,141**	2,172	**1,752**	1,783
Carrying value	**4,093**	4,469	**2,469**	2,909	**7,722**	7,239	**5,283**	5,394	**4,754**	4,660	**2,280**	2,311	**4,406**	4,438

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Summarised statement of profit or loss and other comprehensive income of 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	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	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	**36,149**	31,781	**10,172**	9,875	**33,032**	19,407	**19,746**	17,858	**23,479**	20,833	**14,227**	10,793	**2,493**	**2,315**
Expenses	**(37,920)**	(32,516)	**(6,630)**	(6,949)	**(27,640)**	(21,113)	**(19,250)**	(17,920)	**(22,175)**	(18,812)	**(14,058)**	(10,332)	**(2,566)**	**(2,506)**
(Loss) / profit before tax for the year	**(1,771)**	(735)	**3,542**	2,926	**5,392**	(1,706)	**(496)**	(62)	**1,304**	2,021	**169**	461	**(73)**	**(191)**
Income tax	**394**	67	**(418)**	(473)	**(478)**	(340)	**56**	4	**(256)**	(346)	**(25)**	(68)	**-**	-
(Loss) / profit after tax for the year	**(1,376)**	(668)	**3,124**	2,453	**4,914**	(2,046)	**(441)**	(58)	**1,048**	1,675	**144**	393	**(73)**	**(191)**
(Loss)/profit attributable to Parent Company	**(1,253)**	(685)	**-**	-	**3,919**	(258)	**-**	-	**-**	-	**-**	-	**-**	-
Other comprehensive (loss)/income	**(272)**	(50)	**-**	-	**45**	(167)	**-**	2,975	**(12)**	263	**-**	-	**-**	-
Total comprehensive (loss)/income	**(1,648)**	(718)	**3,124**	2,453	**4,959**	(2,213)	**(441)**	2,917	**1,036**	1,938	**144**	393	**(73)**	**(191)**

c) Movements in investment in associates are set out below:

2023	**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	**4,469**	**2,909**	**7,239**	**5,394**	**4,660**	**2,311**	**4,438**	**40**	**31,460**
Share of (loss) /profit	**(309)**	**742**	**867**	**(111)**	**237**	**42**	**(32)**	**-**	**1,436**
Share of other comprehensive income/ (loss)	**(67)**	**-**	**6**	**-**	**(3)**	**-**	**-**	**-**	**(64)**
Disposals during the year	**-**	**(714)**	**(14)**	**-**	**-**	**-**	**-**	**-**	**(728)**
Dividend received during the year	**-**	**(467)**	**(376)**	**-**	**(140)**	**(73)**	**-**	**-**	**(1,056)**
At 31 March	**4,093**	**2,470**	**7,722**	**5,283**	**4,754**	**2,280**	**4,406**	**40**	**31,048**

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	(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

4 Investments at fair value

	2023			2022		
	FVTPL	**FVOCI**	**Total**	FVTPL	FVOCI	Total
	RO'000	**RO'000**	**RO'000**	RO'000	RO'000	RO'000
Ominvest Perpetual Bonds - 7.75% (i)	**1,518**	**-**	**1,518**	3,800	-	3,800
Dhofar International Development and Investment Holding SAOG (DIDIC) (ii)	**2,477**	**2,223**	**4,700**	2,433	2,114	4,547
Bank Dhofar SAOG	**-**	**7,029**	**7,029**	-	1,031	1,031
Almondz Global Securities Ltd. (India) (iii)	**852**	**-**	**852**	1,536	-	1,536
Al Ritaj Investment Company KSC (Kuwait)	**71**	**-**	**71**	69	-	69
Others	**6**	**-**	**6**	90	-	90
	4,924	**9,252**	**14,176**	7,928	3,145	11,073

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 an agreed formula. The bonds are pledged as security against borrowings.

ii. The market value of DIDIC is RO 4.7 million and the share of net assets at 31 December 2022 is RO 8.70 million.

iii. Almondz Global Securities Ltd. (India) is carried at market value of RO 0.852 million.

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

	2023	2022
	RO'000	RO'000
FVTPL:		
- Quoted	**4,853**	7,859
- Unquoted	**71**	69
FVOCI:		
- Quoted	**9,252**	3,145
	14,176	11,073

Movement in investments at fair value is as follows:

	2023			2022		
	FVTPL	**FVOCI**	**Total**	FVTPL	FVOCI	Total
	RO'000	**RO'000**	**RO'000**	RO'000	RO'000	RO'000
At 1 April	**7,928**	**3,145**	**11,073**	11,588	3,765	15,353
Purchases during the year	**-**	**4,428**	**4,428**	-	-	-
Transferred from interest receivable - DIDIC bonds	**-**	**-**	**-**	-	143	143
Disposals during the year	**(2,362)**	**-**	**(2,362)**	(3,192)	-	(3,192)
Loss on disposal	**(4)**	**-**	**(4)**	(8)	-	(8)
Net unrealised (loss)/profit for the year	**(638)**	**1,679**	**1,041**	(460)	(763)	(1,223)
At 31 March	**4,924**	**9,252**	**14,176**	7,928	3,145	11,073

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

4 Investments at fair value *(continued)*

Investments at fair value are analysed as follows:

	2023 RO'000	2022 RO'000
Banking and investment sector	**14,170**	11,048
Services sector	**-**	19
Industrial sector	**6**	6
	14,176	11,073

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 2022	**1,948**	**47**	**-**	**319**	**2,314**
Additions during the year	**-**	**-**	**-**	**39**	**39**
Disposals during the year	**-**	**(1)**	**-**	**-**	**(1)**
At 31 March 2023	**1,948**	**46**	**-**	**358**	**2,352**
Accumulated depreciation:					
At 1 April 2022	**-**	**44**	**-**	**-**	**44**
Charge for the year (note 16)	**-**	**1**	**-**	**-**	**1**
Related to disposals	**-**	**(1)**	**-**	**-**	**(1)**
At 31 March 2023	**-**	**44**	**-**	**-**	**44**
Net book value:					
At 31 March 2023	**1,948**	**2**	**-**	**358**	**2,308**

	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 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

(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 of transferring 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:

	2023 RO'000	2022 RO'000
Project consultancy charges	**193**	175
Hotel consultancy services	**51**	30
Design and other expenses	**48**	48
Staff costs	**30**	30
Manufacturing cluster	**36**	36
	358	319

6 Receivables and prepayments

	2023 RO'000	2022 RO'000
Prepayments, dividend and interest receivable	**999**	1,041
Due from a related party (Note 18)	**117**	117
	1,116	1,158

7 Share capital

The authorised share capital of the Parent Company comprises 300,000,000 (2022 - 300,000,000) shares of 100 baisas (2022 - 100 baisas) each. The issued and fully paid-up share capital consists of 200,000,000 shares (2022 - 200,000,000 shares) of 100 baisas (2022 - 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	**2023 (%)**	Number of shares held	2022 (%)
Fincorp Investment Company LLC	**47,356,206**	**24**	47,356,209	24
Brig (Rtd) Masoud Humaid Malik Al Harthy	**21,811,611**	**10**	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
		44		42

8 Legal reserve

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

9 Reserves

a) Equity investment reserve

The movement in equity investment reserve is as follows:

	2023 RO'000	2022 RO'000
At 1 April	**(2,695)**	(1,932)
Unrealised fair value gains/(losses) for the year	**1,679**	(763)
At 31 March	**(1,016)**	(2,695)

AL ANWAR INVESTMENTS SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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.

	2023	2022
	RO'000	RO'000
At 1 April	**2,232**	1,456
Share of other comprehensive loss/(income) for the year	**(64)**	776
At 31 March	**2,168**	2,232

10 Bank borrowings

	2023	2022
	RO'000	RO'000
Bank borrowings	**17,142**	15,513
Less: current portion	**(2,238)**	(5,313)
Non-current portion	**14,904**	10,200

	2023	2022
	RO'000	RO'000
At 1 April	**15,513**	18,725
Borrowings obtained during the year	**20,750**	12,800
Repayment of borrowings during the year	**(19,121)**	(16,012)
At 31 March	**17,142**	15,513

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 (2022 – 5.25% to 6.5%). The profit rate is 6.5% for the Sharia compliant borrowings. These borrowings are secured through pledge over investments of the Group in the aggregate amount of RO 35 million (2022 – RO 31 million) (Notes 3 and 4). The Parent Company has overdraft facilities of RO 1 million (2022 - RO 1.1 million) as at 31 March 2023.

11 Payables

	2023	2022
	RO'000	RO'000
Accrued expenses	**60**	74
Contingency provision	**300**	300
Employees' terminal benefits (i)	**23**	25
	383	399

(i) Employees' terminal benefits	**2023**	2022
	RO'000	RO'000
At 1 April	**25**	28
Charge for the year (Note 16)	**3**	4
Paid during the year	**(5)**	(7)
At 31 March	**23**	25

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 shares outstanding at the year-end as follows:

	2023 RO'000	2022 RO'000
Net assets attributable to the shareholders of the Parent Company	**31,306**	30,137
Number of shares outstanding at 31 March ('000)	**200,000**	200,000
Net assets per share (in Baisas)	**157**	151

13 Earnings/(loss) per share

Basic earnings/loss per share is calculated by dividing the net profit/(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:

	2023 RO'000	2022 RO'000
Profit/(loss) for the year attributable to shareholders of the Parent Company	**354**	(842)
Weighted average number of shares outstanding during the year ('000)	**200,000**	200,000
Basic earnings/(loss) per share (in Baisas)	**2**	(4)

14 Net investment income

	2023 RO'000	2022 RO'000
Realised loss on sale of FVTPL investments(Note 4)	**(4)**	(8)
Realised gain on sale of portion of investments in associates(Note 3)	**493**	-
Interest income from bonds(Note 4)	**259**	544
Fair value gain /(loss) from local investments(Note 4)	**44**	(1,515)
Fair value (loss)/gain from foreign investments (Note 4)	**(682)**	1,055
Dividend income	**220**	19
	330	95

15 Other income

	2023 RO'000	2022 RO'000
Directors' sitting fees	**23**	12
	23	12

16 Administrative expenses

	2023 RO'000	2022 RO'000
Employment costs (i)	**212**	178
Contingency provision	**-**	200
Fees and subscription	**32**	32
Office rent and utilities	**12**	12
Legal and professional fees	**23**	23
Meetings and seminar	**7**	4
Business promotion	**1**	1
Communication	**3**	3
Insurance	**3**	4
VAT expense	**9**	6
Depreciation (Note 5)	**1**	2
Recruitment and joining expenses	**-**	9
Miscellaneous expenses	**9**	12
	312	486

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16 Administrative expenses *(continued)*

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

	2023	2022
	RO'000	RO'000
Salaries	**183**	149
Other benefits	**17**	19
Social security costs	**9**	6
Employees' terminal benefits (Note 11)	**3**	4
	212	178

17 Finance costs

	2023	2022
	RO'000	RO'000
Interest expense	**1,016**	1,051
Bank charges	**27**	73
	1,043	1,124

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.

Transactions with related parties during the year are as follows:

	2023	2022
	RO'000	RO'000
Expense(Insurance)	**10**	10
Key management personnel remuneration	**175**	139
Directors' sitting fees	**70**	76

The Directors' sitting fees are subject to the approval of the shareholders at the Annual General Meeting.

Directors' remuneration of RO 64,500 is subject to shareholders' approval in the forthcoming Annual General Meeting and has not been recognised as expense during the year ended 31 March 2023.

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

	2023	2022
	RO'000	RO'000
Hormuz Al Anwar Cement SAOC (Note 6)	**117**	117
	117	117

19 Taxation

The Parent Company is liable to income tax at the rate of 15% (2022: 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 profit/(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:

	2023	2022
	RO'000	RO'000
Profit/(loss) before tax for the year	**354**	(841)
Tax charge at applicable rates	**53**	(126)
Non-deductible items	**281**	82
Exempt income	**(353)**	(103)
Deferred tax asset not recognised	**19**	146
	-	1

The Parent Company has tax losses available for carry forward as at 31 March 2023 of approximately RO 2.8 million (2022 - RO 2.7 million). The Parent Company has not recognised a deferred tax asset on the basis that the income of the Parent 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 over five years 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 2020. 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 consolidated the financial position of the Group as at 31 March 2023.

In the Parent Company's tax assessment for the years 2015 to 2017 issued by the Tax Authority during the year 2022, 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 Parent Company disagrees with the Tax Authority's assessments and therefore has filed an objection against these assessments which has been rejected as submitted after the due date. However, the Parent Company has filed an appeal before Tax Authority and the outcome is still under process at the reporting date. Further, during the year, the Parent Company's tax assessment for the years 2019 and 2020 have been completed and finance charges and administrative expenses incurred during those two years have been allowed in full by the Tax Authority. Accordingly, the Board of Directors believe that these expenses will be allowed for open tax years and tax liability, if any, will not be material to the consolidated financial position of the Group.

20 Proposed dividend

The Board of Directors have proposed cash dividend of RO1,000,000 (5 baisa per share) and a stock dividend of 3 percent for the year 2023 which is subject to the approval of shareholders in the forthcoming Annual General Meeting to be held on 22 June 2023. Dividend for the year ended 31 March 2022 of RO 800,000 (4 baisa per share) was paid during the year ended 31 March 2023 which was approved by the shareholders in the Annual General Meeting held on 23 June 2022.

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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's policies for managing each of these risks 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	2023 RO'000	2022 RO'000
Bank balances	Ba3	**183**	88
		183	88

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

	2023 RO'000	2022 RO'000
Receivables (excluding prepayments)	**912**	1,019
Due from a related party	**117**	117
Bank balances	**183**	88
	1,212	1,224

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.

2023	**Up to 1 year RO'000**	**Over 1 year RO'000**	**Total RO'000**
Bank borrowings (Note 10)	**2,238**	**14,904**	**17,142**
Accrued expenses	**60**	**-**	**60**
	2,298	**14,904**	**17,742**
2022			
Bank borrowings (Note 10)	5,313	10,200	15,513
Accrued expenses	74	-	74
	5,387	10,200	15,587

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

2023	**Within 1 year RO'000**	**Non fixed maturity RO'000**	**Total RO'000**
Investment in associates	**-**	**31,048**	**31,048**
Investments at fair value	**-**	**14,176**	**14,176**
Receivables	**1,116**	**-**	**1,116**
Cash and bank balances	**183**	**-**	**183**
	1,299	**45,224**	**46,523**
2022			
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

(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.

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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 RO 0.24 million (2022 - RO 0.39 million) and other comprehensive income of approximately RO 0.46 million (2022: RO 0. 16 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% strengthening of the Rial Omani against the Indian Rupee at 31 March 2023 would have decreased /increased profit by RO 43 thousand (2022: RO 77 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.

If interest rates at 31 March 2023 had been 50 basis points higher/lower with all other variables held constant, profit for the year would have been lower/higher by RO 86 thousand (2022 - RO 78 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
2023				
Financial assets at fair value	**14,105**	**-**	**71**	**14,176**
2022				
Financial assets at fair value	11,004	-	69	11,073

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 cash flow method. Management considers that the carrying value of the investment approximates its fair value as significant portfolio of the underlying assets and liabilities of the investee companies are either at fair value 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 these 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

Now in the third year of the COVID-19 pandemic, the Sultanate of Oman similar to other jurisdictions around the world has experienced an improved economic outlook, as the number of COVID-19 cases have declined significantly.

The operations of the Group have returned to business-as-usual, although the crisis did test the commercial, operational, financial and organisational resilience of the Group highlighting the risks and resilience gaps, as the effects of the pandemic continue to impact the global supply chains thereby impacting the Group's investments.

(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.

(vi) Impairment of non – financial assets

Impairment exists when the carrying value of an asset or cash generating unit(CGU) 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 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(a) ***Standards, amendments and interpretations effective and adopted during the year 2022-2023***

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first-time and have been adopted in the preparation of the consolidated financial statements for the year ended 31 March 2023:

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, IFRS 9 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IFRS 3	References to Conceptual Framework	1 January 2022

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

This amendment had no impact on the consolidated financial statements of the Group as there were no onerous contracts.

Amendments to IAS 16: Property, Plant and Equipment: Proceeds Before Intended Use
The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment, any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

This amendment had no impact on the consolidated financial statements as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Annual Improvements to IFRS Standards 2018-2020

- Amendments to IFRS 1: Subsidiary as a First-time Adopter
- IFRS 9 Financial Instruments : Fees in the '10 per cent' Test for Derecognition of Financial liabilities
- IAS 41 Agriculture : Taxation in Fair Value Measurements

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 3: References to Conceptual Framework
In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
This amendment had no impact on the consolidated financial statements of the Group.

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25 Summary of significant accounting policies (continued)

25.1(b) *Standards, amendments and interpretations issued but not yet effective in the year 2022-2023*

The following new/amended accounting standards and interpretations have been issued, but are not mandatory and have not been adopted in preparing the financial statements for the year ended 31 March 2023:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
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
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect these amendments and standards issued but not yet effective, to have a material impact on the consolidated financial statements.

25.2 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 consolidated shareholders' equity. Gains or losses on disposals to non-controlling interests are also recorded in consolidated shareholders' equity.

25 Summary of significant accounting policies *(continued)*

25.2 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/or significant representation on the Board of Directors. Investment 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 consolidated 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.

25.3 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.

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25 Summary of significant accounting policies *(continued)*

25.3 Financial instruments *(continued)*

25.3.1 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)*

25.3 Financial instruments *(continued)*

25.3.1 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 and 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 for receivables using a provisioning matrix based on aging of the receivables.

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.

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25 Summary of significant accounting policies *(continued)*

25.3 Financial instruments *(continued)*

25.3.1 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.

25.3.2 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)*

25.4 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.

25.5 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.

25.6 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 free hold 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.

25.7 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.

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25 Summary of significant accounting policies *(continued)*

25.8 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, 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 are recognised as an expense in profit or loss as incurred.

25.9 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.

25.10 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 the effective interest rate.

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

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

25.11 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.

25.12 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 the Group'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 using weighted 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 or other comprehensive income in the year of disposal of related securities.

25 Summary of significant accounting policies *(continued)*

25.13 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 consolidated shareholder's 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.

25.14 Directors' remuneration

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

25.15 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.

25.16 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset till such time as the asset is put to commercial use. Thereafter, all borrowings costs are expensed. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

25.17 Net assets per share

The Company presents net assets per share for its ordinary shares. Net assets per share is calculated by dividing the net assets as at the year-end by the number of shares outstanding at the year-end.

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 primarily invests in diversified sectors in Sultanate of Oman and does not have any operating segment.

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26 Capital commitments

At 31 March 2023, the value of outstanding capital commitments is Nil (2022:RO 74 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 shareholder's equity.

28 Subsequent events

There are no events occurring subsequent to 31 March 2023 and before the date of the approval that are expected to have a significant impact on these consolidated financial statements.