

AL RIMAL MINING LLC

**Report and financial statements
for the year ended 31 March 2024**

AL RIMAL MINING LLC

Report and financial statements for the year ended 31 March 2024

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Independent auditor's report to the Shareholders of Al Rimal Mining LLC

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Opinion

We have audited the accompanying financial statements of **Al Rimal Mining LLC** (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

**Independent auditor's report
to the Shareholders of
Al Rimal Mining LLC (continued)**

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Auditor's responsibilities for the audit of the financial statements (continued)

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 omission, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

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.

**Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman**

Statement of financial position
At 31 March 2024

	Notes	2024 RO	2023 RO
ASSETS			
Non-current assets			
Property and equipment	6	496,723	416,986
Other receivables		11,683	16,683
Total non-current assets		508,406	433,669
Current assets			
Other receivables		22,812	16,551
Cash and cash equivalents	8	506,429	592,960
Total current assets		529,241	609,511
Total assets		1,037,647	1,043,180
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1,000,000	1,000,000
Capital contribution		689,532	689,532
Accumulated losses		(724,478)	(710,743)
Total equity		965,054	978,789
Current liabilities			
Due to a related party	7	1,039	210
Other payables		71,554	64,181
Total current liabilities		72,593	64,391
Total liabilities		72,593	64,391
Total equity and liabilities		1,037,647	1,043,180

Limited Liability Partner

The accompanying notes form an integral part of these financial statements.

**Statement of profit or loss and other comprehensive income
for the year ended 31 March 2024**

	Notes	2024 RO	2023 RO
Administrative and other general expenses	10	(14,668)	(21,733)
Other income	11	933	6,195
Loss for the year and total comprehensive loss		(13,735)	(15,538)

The accompanying notes form an integral part of these financial statements.

**Statement of changes in equity
for the year ended 31 March 2024**

	Share capital RO	Capital contribution	Accumulated losses RO	Total RO
At 1 April 2022	1,000,000	-	(695,205)	304,795
Adjustment to shareholders' loan	-	689,532	-	689,532
Loss for the year and total comprehensive loss	-	-	(15,538)	(15,538)
At 1 April 2023	1,000,000	689,532	(710,743)	978,789
Loss for the year and total comprehensive loss	-	-	(13,735)	(13,735)
At 31 March 2024	1,000,000	689,532	(724,478)	965,054

The accompanying notes form an integral part of these financial statements.

**Statement of cash flows
for the year ended 31 March 2024**

	2024	2023
	RO	RO
Cash flows from operating activities		
Loss for the year	(13,735)	(15,538)
Adjustments for:		
Interest income	(933)	(6,195)
	<hr/>	<hr/>
Operating cash flows before changes in working capital	(14,668)	(21,733)
Changes in working capital :		
Other receivables	(1,260)	(25,752)
Other payables	7,943	46,993
Due to related parties	258	(139,831)
	<hr/>	<hr/>
Net cash (used in) / from operating activities	(7,727)	(140,323)
	<hr/>	<hr/>
Cash flows from investing activities		
Additional mine development (Note 6)	(79,737)	(342,917)
Interest received during the year	933	6,195
	<hr/>	<hr/>
Net cash used in investing activities	(78,804)	(336,722)
	<hr/>	<hr/>
Net change in cash and cash equivalents	(86,531)	(477,045)
Cash and cash equivalents at the beginning of the year	592,960	1,070,005
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year (Note 8)	506,429	592,960
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these financial statements.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)**

1. General

Al Rimal Mining LLC (An Exploration Stage Company) (“the Company”) is a limited liability company, registered in the Sultanate of Oman on 18 February 2007. The registered address of the Company is at P O Box 54, Postal Code 100, Sultanate of Oman.

The Company will be engaged in mining of lime-stone and other mineral ores for export and use in the steel industry. The Company is in exploration stage.

On 26 May 2008, the Company had obtained the exploration license no. T/14/2008 to explore an area of about 25 square kilometers in Salalah – Oyun- Al Madraj at Dhofar Region for limestone mineral deposit. The above exploration license was expired on 25 May 2009.

The Company had again obtained a fresh exploration license no. 0221381 on 9 December 2019 for a period of 3 years to carry out the exploratory work with respect to the allotted area – this license has expired on 16 July 2023. Management has now applied for an exploitation license on 11 July 2023 based on the outcome of the feasibility study.

2. Going concern

The financial statements have been prepared on a going concern basis considering the Company has sufficient liquidity to continue its operations and meet its obligations as and when they fall due.

Further, the Company is still on an exploration and development stage of a mining area of Salalah in the Dhofar region for limestone mineral deposit and has applied for an exploitation license on 11 July 2023. The Company has the expertise and necessary financial resources to explore and develop the mine site for a successful commercial production of the limestone.

Going concern assumption followed by the Company is appropriate as management intends to continue the operations of the Company for the foreseeable future subject to grant of the exploitation license.

3. Application of new and revised International Financial Reporting Standards (IFRS)

3.1 New and amended IFRS applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements:

- IFRS 17 Insurance Contracts
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

None of these amendments had material impact on Al Rimal’s financial statements.

Notes to the financial statements for the year ended 31 March 2024 (continued)

3. Application of new and revised International Financial Reporting Standards (IFRS) (continued)

3.2 New and amended IFRSs in issue but not yet effective and not early adopted

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 7 and IAS 7 – Supplier finance arrangements	1 January 2024
Amendments to IFRS 16 – lease liability in a sale and leaseback	1 January 2024
Amendments to IAS 1 – classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 1 – Presentation of financial statements on non-Current liabilities and covenants.	1 January 2024

The Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

4. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

Functional and presentation currency

These financial statements are presented in Rial Omani ("RO") which is the Company's functional currency.

Basis of measurement

The financial statements are prepared on the historical cost basis. The principal accounting policies are set out below.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)****4. Summary of significant accounting policies (continued)****Property and equipment**

Property and equipment consist of Mineral property and equipment and non-mineral property and equipment.

Mineral property and equipment

Mineral property and equipment represent Mining assets and Mine development and exploration costs.

Mining assets

Mining assets, if any, are recorded at cost less accumulated amortisation. Mining assets include the cost of acquiring and developing mining properties, pre-production expenditure, mine infrastructure, mineral rights and exploration licenses and the present value of future decommissioning costs.

Mine development and exploration costs

Mine development and exploration costs (including geophysical, topographical, geological and similar types of expenditure) is expensed in the period in which it is incurred, unless it is deemed that such expenditure will lead to an economically viable capital project. In this case the expenditure is recorded as mine development construction-in-progress and transferred to mining assets when a new mine reaches commercial production quantities capitalised and amortised.

Mine development and exploration costs written-off before development and construction starts is not subsequently capitalised, even if a commercial discovery subsequently occurs.

Non-mineral property and equipment

Non-mineral property and equipment are stated at cost less accumulated depreciation.

The cost of non-mineral property and equipment is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of property and equipment on a straight-line basis over the expected useful economic lives of the assets concerned. The estimated useful lives used for this purpose are:

	Years
Furniture and fixtures	5
Office equipment	5
Motor vehicles	5

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of an asset and is recognised in the statement of profit or loss and other comprehensive income.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)****4. Summary of significant accounting policies (continued)****Impairment of non-financial assets**

The carrying amounts of the Company'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.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing 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.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in prior periods 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 the 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.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)****4. Summary of significant accounting policies (continued)****Financial instruments (continued)**

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at FVTPL. The Company do not have any financial assets measured at FVTP.

Amortised cost and effective interest rate method

Cash and cash equivalents and due from shareholders are measured at amortised cost using the effective interest method, less any impairment. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period.

Financial assets (continued)

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on all its financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance at an amount equal to 12 month ECL at the current reporting date; or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

When estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative

**Notes to the financial statements
for the year ended 31 March 2024 (continued)****4. Summary of significant accounting policies (continued)****Financial instruments (continued)**

information and analysis, based on Company's historical experience and informed credit assessment and including forward-looking information.

Measurement and recognition of expected credit loss

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of future economic scenarios, discounted at the asset's EIR.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)****4. Summary of significant accounting policies (continued)****Financial instruments (continued)*****Derecognition of financial liabilities***

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Foreign currency

Transactions in foreign currencies are translated into Rials Omani at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Rials Omani at the rate of exchange prevailing at that date. Differences on exchange are dealt with in the statement of comprehensive income.

Cash and cash equivalents

For the purpose of the statement of cash flows, all bank balances and short-term deposits with a maturity of three months or less from the date of placement are considered to be cash equivalents.

Taxation

Income tax on the profit or loss for the period comprises current tax and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is calculated in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The

amount of deferred tax calculated is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)****5. Critical accounting judgments and key sources of estimation uncertainty**

The preparation of the financial statements requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities at the reporting date and the resultant provisions and changes in fair value. Such estimates are necessarily based on assumptions about several factors involving varying, and possibly significant, degrees of judgment and uncertainty and actual results may differ from Management's estimates resulting in future changes in estimated liabilities and assets.

Estimates and judgments 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.

Critical accounting judgements*Impairment of property and equipment*

The Company assesses whether there are any indicators of impairment for property and equipment with respect to the Company's mining development construction in progress at each reporting date. Property and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Where indicators are present and an impairment test is required, the calculation of the recoverable amount requires estimation of future cash flows within complex impairment models.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)**

6. Property, plant and equipment

	Furniture And fixtures RO	Office equipment RO	Motor vehicles RO	Mine development construction -in-progress RO	Total RO
Cost					
At 1 April 2023	3,837	4,485	20,300	582,996	611,618
Additions	-	-	-	79,737	79,737
At 31 March 2024	3,837	4,485	20,300	662,733	691,355
Accumulated depreciation / Impairment					
At 1 April 2022 and 2023 / 31 March 2023 and 2024	3,837	4,485	20,300	166,010	194,632
Net Book value					
At 31 March 2024	-	-	-	496,723	496,723
At 31 March 2023				416,986	416,986

Mine development construction-in-progress comprises costs directly related to mine development, infrastructure and exploration of limestone mineral deposit incurred in the current year and prior years. Management has fully provided the mine development construction-in-progress incurred till 31 March 2021.

During the current year and prior year, the Company has incurred cost toward geological mapping, topographical survey, chemical analysis and technical report of the mining area. The Company expects to complete the exploration activity in FY 25 and will be commencing exploitation once the license is granted by Ministry.

Notes to the financial statements for the year ended 31 March 2024 (continued)

7. Related parties

Related parties comprise the shareholders, key business personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Company maintains significant balances with these related parties which arise in the normal course of business and are entered into at terms and conditions which the management considers to be comparable with those adopted for arm's length transactions with third parties.

The following is a summary of transactions and balances with related parties which are included in the financial statements:

	2024 RO	2023 RO
Due to related party		
Tata Steel Business Delivery Center Ltd	571	-
Ajay Enterprise	468	210
	<u>571</u>	<u>210</u>

8. Cash and cash equivalents

	2024 RO	2023 RO
Bank current account	506,429	210,058
US Dollar term deposit account	-	382,902
	<u>506,429</u>	<u>592,960</u>

Deposits with bank carries annual interest rate ranging from 1% to 2.75% p.a. (31 March 2023: 1% to 2.75% p.a.).

9. Share capital

The authorised, issued and fully paid share capital consists of 1,000,000 ordinary shares with a nominal value of RO 1 each.

Name of the shareholders	2024		2023	
	Shareholding %	Amount RO	Shareholding %	Amount RO
T S Global Holding Pte Ltd	51	510,000	51	510,000
Oman National Investments Development Company SAOC	30	300,000	30	300,000
Ajay Ajit Kumar Karsandas Hamalai	8.392	83,920	8.392	83,920
Sujay Ajit Kumar Karsandas Hamalai	8.392	83,920	8.392	83,920
Niti Ajit Kumar Karsandas Hamalai	2.216	22,160	2.216	22,160
	<u>100</u>	<u>1,000,000</u>	<u>100</u>	<u>1,000,000</u>

**Notes to the financial statements
for the year ended 31 March 2024 (continued)**

10. Administrative and other general expenses

	2024	2023
	RO	RO
Legal and professional fees	5,700	17,232
Miscellaneous expenses	8,968	4,501
	<u>14,668</u>	<u>21,733</u>

11. Other income

	2024	2023
	RO	RO
Interest income	933	6,195
	<u>933</u>	<u>6,195</u>

Interest income was earned from US Dollar term deposit bank account. The interest is based on monthly maturity of the account balance by the bank.

12. Income tax

Income tax is provided as per the provisions of the "Income tax law" in Oman after adjusting the items which are non-assessable or disallowed. Provision for taxation has not been made as the Company does not have taxable profits for the year.

The Company is subject to income tax at the rate of 15% on taxable profits (2023: 15%) in accordance with the income tax laws of the Sultanate of Oman.

The following is reconciliation between income tax calculated on accounting profits at the applicable tax rates with the income tax expense for the year:

	2024	2023
	RO	RO
Loss before tax	(13,735)	(15,538)
Tax @ 15% (2023: @ 15%)	(2,060)	(2,331)
Expenses disallowed	83	83
Unused deferred tax credit	1,977	2,248
Net tax charge for the year	<u>-</u>	<u>-</u>

**Notes to the financial statements
for the year ended 31 March 2024 (continued)****12. Income tax (continued)**

In the current year, the Company is in a tax loss position and cumulative deferred tax assets of RO 8,766 (2023: RO 6,789) on unutilized taxable losses have not been recognized due to the uncertainty in recovery.

Status of income tax assessments

The Company's income tax assessments have been completed up to the tax year 2020 by the Secretariat General for Taxation ("tax department"). The Management of the Company is of the opinion that additional taxes, if any, that may be assessed on completion of the assessments for the open tax years would not be significant to the company's financial position at 31 March 2024.

13. Financial risk management

Financial instruments carried on the statement of financial position comprise cash and cash equivalents, other receivables, due to and due from shareholders and other payables.

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been impacted.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial risk factors**Overview**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations.

The potential risk in respect of amounts receivable is limited to their carrying values as management regularly reviews these balances whose recoverability is in doubt. There is no credit risk in respect of receivable from shareholders.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)**

13. Financial risk management (continued)

Financial risk factors (continued)

Credit risk (continued)

Exposure to credit risk

The Company has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of receivables. The potential risk in respect of amounts receivables is limited to their carrying values as the management regularly reviews these balances whose recoverability is in doubt. The Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. None of the receivable balances from related parties at the end of the reporting period are past due and considering the historical default experience and the future prospects of the industries in which the related parties operate, management of the Group consider that no related party balances are impaired.

The Company limits its credit risk with regard to bank balance deposits by only dealing with reputable banks and financial institutions with strong credit ratings.

Management believes that no allowance for impairment loss is required.

The carrying amount of financial assets represents the maximum credit exposure. The exposure to credit risk at the statement of financial position date was on account of:

	2024	2023
	RO	RO
Other receivables	34,494	33,234
Cash and cash equivalents	506,429	592,960
	<u>540,923</u>	<u>626,194</u>

The stated rating is as per the global bank ratings by Moody's Investors Service. Although the bank was not prime, management does not foresee any credit risk.

Cash at bank

	2024	2023
	RO	RO
Sohar International Bank	506,429	592,960
	<u>506,429</u>	<u>592,960</u>

**Notes to the financial statements
for the year ended 31 March 2024 (continued)**

13. Financial risk management (continued)

Financial risk factors (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

31 March 2024

	Carrying amount RO	6 months or less RO	6 - 12 months RO	More than 1 year RO
Due to a related party	1039	829	-	210
Other payables	71,554	6,131	-	65,423
	<u>72,593</u>	<u>6,960</u>	<u>-</u>	<u>65,633</u>
31 March 2023				
	Carrying amount RO	6 months or less RO	6 - 12 months RO	More than 1 year RO
Due to a related party	210	210	-	-
Other payables	64,181	64,181	-	-
	<u>64,391</u>	<u>64,391</u>	<u>-</u>	<u>-</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Company's functional and presentation currency is Rials Omani. The Company was exposed to foreign currency risk on its bank deposits designated in US Dollars. During the year these deposits were redeemed. As on 31st March 2024, the company does not have exposure to any foreign currency.

**Notes to the financial statements
for the year ended 31 March 2024 (continued)**

13. Financial risk management (continued)

Interest rate risk

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates. The Company has no bank deposits, which are interest bearing and exposed to changes in market interest rates.

14. Categories of financial instruments

	2024 RO	2023 RO
Financial assets carried at amortised cost		
Cash and cash equivalents	506,429	592,960
	<u>506,429</u>	<u>592,960</u>
Financial liabilities carried at amortised cost		
Due to a related party	468	210
Other payables	72,125	64,181
	<u>72,593</u>	<u>64,391</u>

15. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and benefit other stake holders. The management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

16. Fair value of financial assets and liabilities

Financial assets consist of cash at bank, other receivables and due from shareholders, whereas financial liabilities consist of due to shareholder and other payables. Management believes that the fair values of financial instruments approximates to their carrying value as at 31 March 2024.