

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Oman Cement Company SAOG (“the Company”) is an Omani public joint stock company registered under the Commercial Companies Law of the Sultanate of Oman and was incorporated on 29 January 1978. The Company’s registered office is situated at P.O. Box 560, PC 112 Ruwi, Sultanate of Oman. The Company’s shares are listed on Muscat Stock Exchange, Sultanate of Oman.

The parent company is Abra Holdings Limited registered in Mauritius, which is ultimately owned by Huaxin Cement Co. Limited through Huaxin (Hong Kong) International Holdings Limited registered in Hong Kong. Huaxin Cement Co. Limited’s registered office and principal place of business is situated at 600 Daqi Avenue East, Huangshi City, Hubei Province, China.

The Company is engaged in the manufacture and sale of cement and related products.

The Company also holds 30% investment in an associate, Mondi Oman LLC, a limited liability company incorporated in the Sultanate of Oman.

In the year 2019, the Company incorporated a 99.9% owned subsidiary under the name of Al Sahawa Cement Company LLC (SCC). Till the reporting date, SCC has no transactions. Therefore, the Company has not considered consolidating SCC into these financial statements.

2 ADOPTIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 New and amended standards and interpretations that are effective for the current period

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2026 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments are effective for reporting periods beginning on or after 1 January 2026.

Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the ‘settlement date’ and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026.

2 ADOPTIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

2.1 New and amended standards and interpretations that are effective for the current period (continued)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The amendments are not expected to have a material impact on the Company's financial statements.

2.2 New and amended standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Company's financial statements are as follows:

- Rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss.

2 ADOPTIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

2.2 New and amended standards and interpretations issued but not yet effective (continued)

- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency –Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The Company does not expect that the amendments will have a material impact on its financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

2 ADOPTIONS OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

2.2 New and amended standards and interpretations issued but not yet effective (continued)

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting standards as issued by International Accounting Standards Board (IASB) and comply with the disclosure requirements of the Commercial Companies Law of 2019, and the Financial Services Authority of the Sultanate of Oman.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for investments at fair value through profit and loss which is measured using the fair value on each reporting date.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in 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 (unobservable input).

The principal accounting policies applied in the preparation of these financial statements are set out below, and these policies have been consistently applied to all the years present:

Presentation and functional currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments

Recognition and initial measurement of financial instruments

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss account, transaction costs that are directly attributable to its acquisition or issue.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

1. Trade and other receivables
2. Cash and cash equivalents
3. Investments at fair value through profit or loss
4. Trade and other payables

Classification and initial measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; fair value through other comprehensive income [FVOCI] – debt instruments; fair value through other comprehensive income – equity instruments; or fair value through profit or loss account [FVTPL].

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operations of these policies in practice.
- How the performance of portfolio is evaluated and reported to the management.
- The risks that affect the performance of the business model and how these risks are managed.
- How managers of the business are compensated.
- The frequency, volume and timing of sale of financial assets in prior periods.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss account:

Business model test: The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: 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.

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss account.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Classification and initial measurement (continued)

Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as at fair value through profit or loss (FVTPL) if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Subsequent measurement and gain or losses of financial assets

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of comprehensive income. Any gain or loss on derecognition is recognised in the statement of comprehensive income.

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of comprehensive income.

Subsequent measurement and gain or losses of financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method, if applicable. The effective interest method is the 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 through the expected life of the financial liability to the net carrying amount on initial recognition.

Interest expense and foreign exchange gains and losses are recognised in the statement of comprehensive income.

Reclassification of financial assets

The Company will only reclassify financial assets if, and only if, the objective of the business model for managing those financial assets is changed. Such changes are expected to be very infrequent as these changes must be significant to the Company's operations and demonstrable to external parties.

If the Company determines that its business model has changed in a way that is significant to its operations, then it reclassifies all affected assets prospectively from the first day of the next reporting period (the reclassification date). Prior periods are not restated.

Reclassification of financial liabilities

The Company determines the classification of financial liabilities on initial recognition. Subsequent reclassification is not allowed.

Derecognition

The Company derecognises financial asset when:

- a) The contractual rights to receive cash flows from the financial asset have expired; or
- b) The Company transfers the right to receive the contractual cash flows in a transaction in which either:
 - Substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - The Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Derecognition (continued)

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expired. The Company also recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognizes expected credit loss (ECL) on financial assets measured at amortized cost. The financial assets at amortized cost consist of trade receivables and cash and cash equivalents.

The Company measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured as 12- month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Finance assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.

Default

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or based on the certain delinquency period (days past due).

Simplified approach

The Company applies simplified approach to measuring credit losses, which mandates recognition of lifetime expected loss allowance for trade receivables without significant financing component. Under simplified approach, there is no need to monitor for significant increases in credit risk and the Company will be required to measure lifetime expected credit losses at all times.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over the estimated useful life.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets (continued)

The estimated useful life and the amortization method are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. The intangible asset pertains to software and is amortised over a period of five years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of comprehensive income as incurred.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost which includes capitalised borrowing costs, less accumulated depreciation and any impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the item is derecognized.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful economic lives of property, plant, and equipment, which are reviewed at the end of each reporting date. The estimated useful lives are as follows:

	<i>Years</i>
Development of leasehold land and quarry	5
Plant, machinery and equipment	5 – 25
Factory civil works	5 – 40
Non factory civil works (housing complex)	25
Earth moving and transport equipment	4 – 5
Furniture, fixtures and equipment	2 – 10

Capital work-in-progress

Capital work-in-progress is stated at cost and not depreciated until it is transferred into one of the above categories, at the time when it is available for use. All expenditures incurred on engineering, design work, borrowing costs and costs directly attributable to the project engineering, procurement and construction / installation are treated as capital work-in-progress until such time the assets are available for use, when these will be allocated to property, plant and equipment.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than inventories 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.

For impairment testing, assets are grouped into smaller group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. The recoverable amount of an asset or cash generating unit (CGU) is the greater of its value in use and its fair value less cost of disposals.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its value in use and its fair value less costs to sell.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of non-financial assets (continued)

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 periods are assessed at each reporting date for any indication 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.

Investment in an associate

An associate is an entity over which the Company has significant influence but not control over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs.

Subsequent to initial recognition, the financial statements include the Company's share of statement of comprehensive income and OCI of equity accounted investees, until the date on which significant influence ceases. The financial statements of the associate are prepared for the same reporting period as of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit or loss of associate' in the statement comprehensive income.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of raw materials, stores, spares and consumables and packing materials is determined on a weighted average cost basis and comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. The cost of clinker and finished cement includes cost of raw materials and an appropriate portion of direct labor and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business less any incidental selling expenses. Where necessary, provision is made for obsolete, slow-moving, non-moving and defective inventories.

Employee end of service benefits

End of service benefits are accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law applicable to non-Omani employees accumulated period of service at the end of reporting period. Employee entitlements to annual leave are recognized when they accrue to employees and an accrual is made for the estimated liability for annual leave as a result of services up to the reporting date. The accrual relating to annual leave and leave passage is disclosed as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurance Scheme are recognised as an expense in the statement of comprehensive income as incurred.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract on the basis of its relative stand-alone prices.

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred less any lease incentive received.

The right of use assets is subsequently depreciated using straight-line method from the date of commencement till the end of lease term. Right-of-use assets are subject to impairment.

Land	18 years
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b) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate as the discount rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees and exercise price under a purchase option that the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index of rate, if there is a change in the Company's estimate of the amounts expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Current versus non-current classification

The Company presents its assets and liabilities in the statement of financial position based on current/non-current classification.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Current versus non-current classification (continued)

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Revenue from contracts with customers

Revenue is recognized when the Company transfers the control over goods and services to a customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company is the principal in its all revenue arrangements.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

<i>Type of products and performance obligation</i>	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms</i>	<i>Revenue recognition policy</i>
Sale of cement and clinker	The Company's performance obligation is fulfilled when cement or clinker is loaded onto the customer's truck, at which point control of the goods transfers to the customer at the Company's dispatch point. Revenue is generated at that point in time. Invoices are paid as per the agreed payment terms.	Revenue is recognized at a point in time, specifically when control of goods transfers to the customer upon loading onto the customer's truck.

Finance income and finance cost

The Company's finance income and finance cost includes interest income, interest expense, foreign currency gain or loss on financial assets, dividend income, fair value changes in investments at fair value through profit or loss.

Interest income or expense is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments. Dividend income is recognised in the statement of comprehensive income on the date on which the Company's right to receive the payment is established.

Earnings and net assets per share

The Company presents earnings per share (EPS), diluted earnings per share (DEPS) and net assets per share for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Earnings and net assets per share (continued)

The DEPS is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Net assets per share are calculated by dividing the net assets attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year. Net assets for the purpose are defined as total equity.

Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit and loss except to the extent it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income tax, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for:

- Temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Taxable temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognizing deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria is met.

Foreign currencies

Transactions in foreign currencies are translated into Rial Omani at the exchange rate at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of comprehensive income and presented within finance costs.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Dividends

The Board of Directors recommends to the shareholders the dividend to be paid out of the Company's retained earnings. The Board considers appropriate parameters including the requirements of the Commercial Companies Law of the 2019, Executive Regulation and other relevant directives issued by Financial Services Authority while recommending the dividend. Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the period in which the dividends are approved by the shareholders. Dividends are paid out in the year in which they are declared.

Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the chief decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Board has been identified as the chief decision maker. The Company has a single reportable segment.

Directors' remuneration

The Company follows the Commercial Companies Law of 2019 and other latest relevant directives issued by Financial Services Authority, regarding determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the statement of comprehensive income in the year to which it relates.

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and cash, including deposits with an original maturity period of 3 months or less.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's material accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Determining the lease term of contracts – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in determining the lease term of contracts after considering all relevant factors. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). Accordingly, the Company considers that leasehold land from the Government of the Sultanate of Oman will continue to be made available for the Company's use over the useful economic life of the assets that are situated on such leasehold land.

Estimates and assumptions

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Estimates and assumptions (continued)

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Taxes

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Inventories

Inventories are held at the lower of cost and net realisable value. An estimate of provision is made for slow and non-moving stores, spares and consumables inventories. Inventories which are old or obsolete, a provision is applied according to the inventory type and the degree of ageing or obsolescence.

Allowance for slow moving inventories is based on management's assessment of various factors such as the usability, maintenance programs, and normal wear and tear using best estimates.

Stock in trade and store includes:

- Raw materials (limestone, iron ore, kaolin, red shale, gypsum, QPH, tyre chips and steel slag)
- Work-in-progress comprising partly processed clinker
- Finished clinker
- Finished cement

The above items are stored in purpose built sheds, stockpiles and silos. As the weighing of these items is not practicable, the management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements into unit of volumes by using angle of repose and bulk density values.

The measurement of the rate per unit of these items also involves complex calculations due to the number of processes involved in making the cement and different stages of production at the time of inventory observation.

The Company has relied upon the management experience, physical verification, operational condition and understanding of the nature for measurement of quantity. At the end of the reporting date, the Company believes that the estimated figure of closing quantity of these inventories derived from the use of scientific formulae and as reflected in the accounting records, closely approximates the actual quantities.

5 PROPERTY, PLANT AND EQUIPMENT

	<i>Development of leasehold land and quarry</i> ﷌	<i>Plant, machinery and equipment</i> ﷌	<i>Factory civil works</i> ﷌	<i>Non factory civil works (housing complex)</i> ﷌	<i>Earth moving and transport equipment</i> ﷌	<i>Furniture, fixtures and equipment</i> ﷌	<i>Capital work- in-progress</i> ﷌ (note 5 c & d)	<i>Total</i> ﷌
Cost								
At 1 January 2026	996,751	154,116,036	59,137,980	8,388,346	10,314,683	5,284,537	1,907,939	240,146,272
Additions	-	18,000	-	-	15,900	7,701	373,917	415,518
Transfers	-	373,343	68,550	-	-	7,240	(449,133)	-
Disposals	-	(116,569)	-	-	-	-	-	(116,569)
At 31 March 2026	996,752	154,390,809	59,206,531	8,388,346	10,330,583	5,299,478	1,832,722	240,445,221
Accumulated depreciation and impairment loss								
At 1 January 2026	976,664	102,371,911	31,802,423	8,002,233	8,628,068	4,584,106	1,178,187	157,543,592
Charge for the period	613	1,189,223	283,660	7,257	164,515	43,878	-	1,689,146
Depreciation on disposals	-	(116,569)	-	-	-	-	-	(116,569)
At 31 March 2026	977,277	103,444,565	32,086,083	8,009,490	8,792,583	4,627,984	1,178,187	159,116,169
Carrying amounts								
At 31 March 2026	19,475	50,946,244	27,120,448	378,856	1,538,000	671,494	654,535	81,329,052

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	<i>Development of leasehold land and quarry</i> <u>₹</u>	<i>Plant, machinery and equipment</i> <u>₹</u>	<i>Factory civil works</i> <u>₹</u>	<i>Non factory civil works (housing complex)</i> <u>₹</u>	<i>Earth moving and transport equipment</i> <u>₹</u>	<i>Furniture, fixtures and equipment</i> <u>₹</u>	<i>Capital work- in progress</i> <u>₹</u> (note 5 c & d)	<i>Total</i> <u>₹</u>
Cost								
At 1 January 2025	996,751	151,726,514	58,885,179	8,388,346	12,565,941	4,829,014	1,718,985	239,110,730
Additions	-	163,296	-	-	15,500	42,172	283,535	504,503
Transfers	-	34,602	14,650	-	-	11,964	(157,229)	(96,013)
Disposals	-	-	-	-	(29,605)	-	-	(29,605)
At 31 March 2025	996,751	151,924,410	58,899,830	8,388,346	12,551,836	4,883,150	1,845,291	239,489,615
Accumulated depreciation and impairment loss								
At 1 January 2025	974,174	97,663,298	30,654,748	7,972,805	10,291,414	4,400,664	1,178,187	153,135,290
Charge for the period	614	1,146,350	282,198	7,256	160,662	49,912	-	1,646,993
Depreciation on disposals	-	-	-	-	(29,605)	-	-	(29,605)
At 31 March 2025	974,788	98,809,648	30,936,946	7,980,061	10,422,471	4,450,576	1,178,187	154,752,677
Carrying amounts								
At 31 March 2025	21,964	53,114,762	27,962,884	408,285	2,129,365	432,574	667,104	84,736,938

5 PROPERTY, PLANT AND EQUIPMENT

	<i>Development of leasehold land and quarry</i> ﷌	<i>Plant, machinery and equipment</i> ﷌	<i>Factory civil works</i> ﷌	<i>Non factory civil works (housing complex)</i> ﷌	<i>Earth moving and transport equipment</i> ﷌	<i>Furniture, fixtures and equipment</i> ﷌	<i>Capital work- in-progress</i> ﷌ (note 5 c & d)	<i>Total</i> ﷌
Cost								
At 1 January 2025	996,751	151,726,514	58,885,179	8,388,346	12,565,941	4,829,014	1,718,985	239,110,730
Additions	-	508,861	-	-	65,795	183,490	2,690,462	3,448,608
Transfers	-	1,880,661	252,801	-	-	272,033	(2,501,508)	-
Transfer to intangible assets (note 7)	-	-	-	-	-	-	(96,013)	(96,013)
Disposals	-	-	-	-	(2,317,053)	-	-	(2,317,053)
At 31 December 2025	996,751	154,116,036	59,137,980	8,388,346	10,314,683	5,284,537	1,811,926	240,146,272
Accumulated depreciation and impairment loss								
At 1 January 2025	974,174	97,663,298	30,654,748	7,972,805	10,291,414	4,400,664	1,178,187	153,135,290
Charge for the period	2,490	4,708,613	1,147,675	29,428	653,707	183,442	-	6,725,355
Depreciation on disposals	-	-	-	-	(2,317,053)	-	-	(2,317,053)
At 31 December 2025	976,664	102,371,911	31,802,423	8,002,233	8,628,068	4,584,106	1,178,187	157,543,592
Carrying amounts								
At 31 December 2025	20,087	51,744,125	27,335,557	386,113	1,686,615	700,431	729,752	82,602,680

- a) The buildings and plant facilities are built on land leased by the Ministry of Housing under a lease agreement that will expire on 31 December 2029. The Company considers that leasehold land from the Government will continue to be made available for the Company's use over the useful economic life of the assets that are situated on such leasehold land. Accordingly, Company have lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercise.

5 PROPERTY, PLANT AND EQUIPMENT (continued)

b) Depreciation for the period is allocated as follows:

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
Cost of sales (note 22)	1,645,313	1,602,019	6,551,185
General and administrative (note 23)	43,831	44,974	174,170
	<u>1,689,144</u>	<u>1,646,993</u>	<u>6,725,355</u>

- c) Capital work-in-progress at the end of the period mainly relates to the cost of dedusting bag filters up-gradation, VFD and VFD Motors for Power savings and semi-automatic truck loading plant projects.
- d) On a prudent basis, the Company has recognized impairment of Al Sahawa Project in the year 2022 which is disclosed under property, plant and equipment - capital work-in-progress. Al Sahawa Project has encountered issues in supply of gas. The matter is under discussion with the Public Authority for Special Economic Zones and Free Zones (OPAZ) formerly known as Al Duqm Special Economic Zone Authority (SEZAD), for exploring alternatives such as re-location of the plant site to reduce distance of gas pipeline and other matters. Considering the supply of gas is critical to the operations of the plant, accordingly, the management believes that the Company can derive an economic benefit from the Al Sahawa Project, once the relocation of plant site near the gas pipeline and other matters with OPAZ are resolved.

6 RIGHT-OF-USE ASSETS

The Company has lease contract for land used in its operations. The Company has assessed lease term of 18 years for right-of-use assets considering that the lease hold land will continue to be made available for the Company's use over the useful economic life of the assets that are situated on such leasehold land.

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
Leasehold land			
Cost			
At 1 January	10,946,787	572,286	858,417
Modification	-	10,758,378	10,088,370
Reversal of carrying value	-	(572,286)	-
At period end	<u>10,946,787</u>	<u>10,758,378</u>	<u>10,946,787</u>
Accumulated depreciation			
At 1 January	1,084,941	-	286,131
Depreciation for the period (note 22)	223,951	224,133	798,810
At period end	<u>1,308,892</u>	<u>224,133</u>	<u>1,084,941</u>
Carrying amount			
At period end	<u>9,637,895</u>	<u>10,534,245</u>	<u>9,861,846</u>

7 INTANGIBLE ASSETS

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
Softwares			
Cost			
At 1 January	1,319,054	1,223,041	1,223,041
Transfer from capital work-in-progress (note 5)	-	96,013	96,013
At period end	<u>1,319,054</u>	<u>1,319,054</u>	<u>1,319,054</u>
Amortisation			
At 1 January	1,132,709	1,053,456	1,053,456
Amortisation for the period (note 23)	19,542	19,542	79,253
At period end	<u>1,152,251</u>	<u>1,072,998</u>	<u>1,132,709</u>
Carrying value			
At period end	<u>166,804</u>	<u>246,055</u>	<u>186,345</u>

8 INVESTMENTS IN AN ASSOCIATE

Investment in an associate represents 30% (31 Mar 2025: 30%) equity investment in Mondi Oman LLC, a limited liability company incorporated in the Sultanate of Oman. The associate is primarily engaged in the manufacture of industrial paper bags. The financial year end of the associate is 31 December.

The following further notes apply:

- a) The movement in the carrying value of the investment in associate during the period is as follows:

	31 Mar 2026 ﷼	31 Mar 2025 ﷼	31 Dec 2025 ﷼
At 1 January	1,351,993	1,496,722	1,496,722
Add: share of profit for the period	53,419	43,738	111,614
Less: dividend received	-	-	(256,343)
At period end	<u>1,405,412</u>	<u>1,540,460</u>	<u>1,351,993</u>

- b) The summarized financial position of the associate is not adjusted for proportion of ownership, and is as follows:

	31 Mar 2026 ﷼	31 Mar 2025 ﷼	31 Dec 2025 ﷼
Assets			
Non-current assets	2,488,228	2,656,045	2,543,474
Current assets	<u>5,001,604</u>	<u>5,515,026</u>	<u>5,464,463</u>
Total assets	<u>7,489,832</u>	<u>8,171,071</u>	<u>8,007,937</u>
Liabilities			
Non-current liabilities	<u>392,642</u>	<u>420,334</u>	<u>399,288</u>
Current liabilities			
Trade payables	162,335	166,382	172,268
Other payables	<u>2,197,627</u>	<u>2,376,816</u>	<u>2,899,551</u>
Total current liabilities	<u>2,359,962</u>	<u>2,543,198</u>	<u>3,071,819</u>
Total liabilities	<u>2,752,604</u>	<u>2,963,532</u>	<u>3,471,107</u>
Net assets (100%)	<u>4,737,228</u>	<u>5,207,539</u>	<u>4,536,830</u>
Company's share of net assets (30%)	<u>1,405,412</u>	<u>1,540,460</u>	<u>1,361,049</u>
Revenue	<u>2,244,207</u>	<u>2,307,600</u>	<u>8,777,953</u>
Net profit and total comprehensive income for the period (100%)	<u>193,394</u>	<u>106,381</u>	<u>290,150</u>
Net profit and total comprehensive income for the period (30%)	<u>53,419</u>	<u>43,738</u>	<u>111,614</u>

At 31 March 2026, the associate had contingent liabilities amounting to ﷼ 162,931 (31 Mar 2025: ﷼ 152,431) in respect of bank guarantees provided in the normal course of business from which it is anticipated that no material liabilities will arise.

At 31 March 2026 the value of outstanding purchase commitments amounted to ﷼ 97,557 (31 Mar 2025: ﷼ 23,620).

9 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
At 1 January	120,643	89,823	89,823
Fair value changes during period (note 26)	21,549	80	30,820
At period end	142,192	89,903	120,643

- a) Investments at fair value through profit or loss at reporting date comprise of local marketable securities and are measured at fair value at the close of business on 31 March 2026 and (31 Mar 2025 – on 27 Mar 2025).
- b) At the end of the reporting date, the sector-wise analysis of the Company's carrying value of investments at fair value through profit or loss is as follows:

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
Local:			
<i>MSX quoted investments:</i>			
Banks and investment	19	22	18
Industrial	142,173	89,881	120,625
	142,192	89,903	120,643

- c) The fair value of the investments at fair value through profit or loss has been determined under the level 1 hierarchy.

10 INVENTORIES

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
Stores, spares and consumables	14,201,895	13,907,437	14,085,030
Provision for slow and non-moving inventories (c)	(8,168,678)	(7,953,137)	(8,120,734)
	6,033,217	5,954,300	5,964,296
Finished clinker	2,719,085	4,181,187	2,769,924
Partly processed clinker	895,904	693,875	821,524
Finished cement	581,742	649,570	513,258
Raw materials	286,879	166,018	296,399
Packing materials	286,172	172,213	285,649
	10,802,999	11,817,163	10,651,050
Inventories written off (note 22)	-	(223,062)	(953,901)
	10,802,999	11,594,101	9,697,149
Materials pending inspection (note 17)	112,450	102,004	174,465
	10,915,449	11,696,105	9,871,614

- a) At the end of the reporting date, finished cement represents approximately 3 days (31 Mar 2025: 3 days) of sales.
- b) Inventories of S 2,383,697 (31 Mar 2025: S 2,472,051) were recognised as an expense during the period and included in cost of sales.
- c) Movement in the provision for slow and non-moving inventories is as follows:

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
At 1 January	8,120,734	7,890,909	7,890,909
Provided during the period (note 22)	47,944	62,228	229,825
At period end	8,168,678	7,953,137	8,120,734

11 TRADE AND OTHER RECEIVABLES

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
Trade receivables	8,940,724	9,221,537	8,067,718
Less: Allowance for expected credit losses (e)	(13,421)	(26,560)	(11,022)
	<u>8,927,303</u>	<u>9,194,977</u>	<u>8,056,696</u>
Advances to suppliers	370,828	568,928	498,918
Prepayments	288,051	197,451	-
Other receivables	<u>289,898</u>	<u>332,042</u>	<u>308,904</u>
	<u>9,876,080</u>	<u>10,293,398</u>	<u>8,864,518</u>

- a) At the end of the reporting date, 83.87% (31 Mar 2025: 80.18%) of the Company's trade receivables are due from six customers (31 Mar 2025: six customers).
- b) Trade receivable amounting to ₹ 7,950,842 (31 Mar 2025: ₹ 7,313,260) are neither past due nor impaired.
- c) At the end of the reporting date, trade receivables with a carrying amount of ₹ 989,882 (31 Mar 2025: ₹ 1,908,277) are past due but not impaired. These relate to several independent customers for whom there is no recent history of default, and the receivables are covered through bank guarantees. The ageing analysis of the trade receivable which are past due but not impaired is as follows:

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
Past due up to 90 days	916,446	1,620,526	366,493
Past due above 90 days to 180 days	23,620	43,929	27,432
Past due above 180 days	<u>49,817</u>	<u>243,822</u>	<u>34,365</u>
	<u>989,882</u>	<u>1,908,277</u>	<u>428,290</u>

- d) At the end of the reporting date, 100% (31 Mar 2025: 99.86%) of the trade receivables are covered by bank guarantees.
- e) Movement in allowance for expected credit losses (ECL):

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
At 1 January	11,022	23,817	23,817
Allowance/ (reversal) for expected credit losses (ECL) for the period (note 27)	2,399	2,743	(12,795)
At period end	<u>13,421</u>	<u>26,560</u>	<u>11,022</u>

- f) The aging analysis of trade receivables are as follows:

31 March 2026	Current (not past due)	1 - 60 days ₹	61 - 120 days ₹	121 - 180 days ₹	More than 180 days ₹	Total ₹
Weighted average loss rate	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Gross carrying amount	7,950,842	750,168	176,998	12,899	49,817	8,940,724
ECL	(11,935)	(1,126)	(266)	(19)	(75)	(13,421)
Net carrying amount	<u>7,938,906</u>	<u>749,042</u>	<u>176,732</u>	<u>12,880</u>	<u>49,742</u>	<u>8,927,303</u>

11 TRADE AND OTHER RECEIVABLES (continued)

	<i>Current (not past due)</i>	<i>1 - 60 days</i>	<i>61 - 120 days</i>	<i>121 - 180 days</i>	<i>More than 180 days</i>	<i>Total</i>
31 March 2025						
Weighted average loss rate	0.1%	0.1%	0.1%	0.1%	5.6%	0.3%
Gross carrying amount	7,313,259	1,579,887	60,929	23,639	243,822	9,221,537
Loss allowance	(10,584)	(2,287)	(88)	(34)	(13,567)	(26,560)
Net carrying amount	7,302,675	1,577,600	60,841	23,605	230,255	9,194,977
31 December 2025						
Weighted average loss rate	0.14%	0.14%	0.14%	0.14%	0.13%	0.14%
Gross carrying amount	7,639,428	354,756	23,255	15,914	34,365	8,067,718
ECL	(10,437)	(485)	(32)	(22)	(46)	(11,022)
Net carrying amount	7,628,991	354,271	23,223	15,892	34,319	8,056,696

- g) Debtors amounting to ~~Rs~~ nil (31 Mar 2025: ~~Rs~~ 13,233) are without a bank guarantee, and an expected credit loss of 100% has been recognized for this amount.

12 CASH AND CASH EQUIVALENTS

	31 Mar 2026	31 Mar 2025	31 Dec 2025
	Rs	Rs	Rs
Cash at bank:			
Call deposits (a)	14,782,464	5,558,071	19,884,688
Current accounts	39,198	48,278	26,756
	14,821,662	5,606,349	19,911,444
Less: allowance for expected credit losses (ECL)	(17,367)	(9,528)	(38,628)
	14,804,295	5,596,821	19,872,816
Cash in hand	166	166	166
	14,804,461	5,596,987	19,872,982

Movement in allowance for expected credit losses:

	31 Mar 2026	31 Mar 2025	31 Dec 2025
	Rs	Rs	Rs
At 1 January	38,628	73,531	73,531
Allowance / (reversal) for expected credit losses during the period (note 27)	(21,261)	(64,003)	(34,903)
At period end	17,367	9,528	38,628

Bank balances include balances with reputed commercial banks in Oman and are denominated in Rial Omani.

- a) Call deposits are placed with local commercial banks and earn interest ranging up to 4.5% (31 Mar 2025: up to 4.5%) per annum.

13 SHARE CAPITAL

- a) The authorised share capital of the Company is 360,000,000 shares (31 March 2025: 360,000,000 shares) with a nominal value of 100 baiza per share. The issued and paid-up share capital at the end of the reporting date is **₹** 33,087,271 comprising 330,872,710 fully paid-up shares of 100 baiza per share. During 1994, the Company made an offering of shares to the public at premium amounting to **₹** 10,757,254 and subsequently transferred of **₹** 4,033,109 to legal reserve retaining a balance of **₹** 6,724,145.
- b) Shareholders who own 10% or more of the Company's share capital and the number of shares they hold at the end of the reporting date are as follows:

	31 Mar 2026		31 Mar 2025		31 Dec 2025	
	Number of held	%	Number of held	%	Number of held	%
Name of the Shareholder						
Abra Holdings Limited	213,940,073	64.66	213,940,073	64.66	213,940,073	64.66

14 RESERVES

a) Legal reserve

As required by the Commercial Companies Law of 2019 of the Sultanate of Oman, 10% of the annual profit is to be transferred to a legal reserve, until the amount of the legal reserve reaches one third of the capital. No transfer has been made in the current and prior year as the reserve has reached the statutory minimum of one third of the capital. The reserve is not available for distribution.

b) Voluntary reserve

In accordance with the Articles of Association of the Company, annual appropriations not exceeding 20% of the profit for the year after deduction of legal reserve may be made to this reserve. The accumulated balance of the reserve shall not exceed half the value of the Company's paid-up share capital. This being achieved in year 2008, the Company has discontinued the transfer. The reverse is available for distribution which is subject to shareholders approvals.

15 FAIR VALUE RESERVE

- a) During the prior years, the Company had fair valued its entire unquoted equity investments at fair value through other comprehensive income, at nil value. Fair value reserves include fair value changes on those unquoted investments at fair value through other comprehensive income.
- b) The movement in the fair value reserve is as follows:

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
At 1 January	(692,847)	(692,847)	(692,847)
At period end	(692,847)	(692,847)	(692,847)

16 LEASE LIABILITIES

The buildings and plant facilities are built on land leased by the Ministry of Housing under a lease agreement that will expire on 31 December 2029. The Company considers that leasehold land from the Government will continue to be made available for the Company's use over the useful economic life of the assets that are situated on such leasehold land. Accordingly, Company have lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The movements in the carrying amounts of lease liabilities during the period are as follows:

16 LEASE LIABILITIES (continued)

	31 Mar 2026 ﷵ	31 Mar 2025 ﷵ	31 Dec 2025 ﷵ
1 January	10,136,458	670,008	670,008
Reversal of carrying value	-	(670,008)	-
Modification	-	10,758,378	10,088,370
Finance cost (note 26)	142,329	152,427	609,708
Payments during the period	(1,231,628)	(1,231,628)	(1,231,628)
At period end	<u>9,047,159</u>	<u>9,679,177</u>	<u>10,136,458</u>
	31 Mar 2026 ﷵ	31 Mar 2025 ﷵ	31 Dec 2025 ﷵ
Current	1,231,628	1,231,628	1,231,628
Non-current	<u>7,815,531</u>	<u>8,447,549</u>	<u>8,904,830</u>
	<u>9,047,159</u>	<u>9,679,177</u>	<u>10,136,458</u>

The following are the amounts recognised in statement of comprehensive income:

	31 Mar 2026 ﷵ	31 Mar 2025 ﷵ	31 Dec 2025 ﷵ
Depreciation expense of right-of-use assets (note 22)	223,951	126,411	798,810
Interest expense on lease liabilities (note 26)	<u>142,329</u>	<u>152,427</u>	<u>609,708</u>
	<u>366,280</u>	<u>278,838</u>	<u>1,408,518</u>

During the period, the Company had total cash outflows for leases of ﷵ 1,231,628 (31 Mar 2025: ﷵ 1,231,628).

17 TRADE AND OTHER PAYABLES

	31 Mar 2026 ﷵ	31 Mar 2025 ﷵ	31 Dec 2025 ﷵ
Dividend payable	9,957,537	-	-
Accrued expenses	5,568,442	4,703,337	6,074,390
Employee benefits	1,134,205	970,812	1,077,771
Trade payable	455,054	427,480	1,983,924
Output VAT - net	622,452	627,938	650,859
Advance from customers (a)	367,941	293,681	322,235
Due to an associate company [note 19 (c)]	314,227	10,413	441,678
Directors' remuneration	137,813	27,563	110,250
Sales discount payable	-	71,577	-
Payables for materials pending inspection (note 10)	<u>112,450</u>	<u>102,004</u>	<u>174,465</u>
	<u>18,670,121</u>	<u>7,234,805</u>	<u>10,835,572</u>

a) The amount of ﷵ 322,235 included in advance from customers at 31 December 2025 has been recognised as revenue in 2026 (31 Mar 2025: ﷵ 354,495).

18 TAXATION

	31 Mar 2026 ﷵ	31 Mar 2025 ﷵ	31 Dec 2025 ﷵ
Statement of comprehensive income			
<i>Current tax expense</i>			
Current period	716,411	594,843	1,692,053
Change in estimates related to prior years	-	-	(196,975)
Deferred tax credit - origination and reversal of temporary differences	<u>(60,979)</u>	<u>(65,973)</u>	<u>(223,447)</u>
	<u>655,432</u>	<u>528,870</u>	<u>1,271,631</u>
	31 Mar 2026	31 Mar 2025	31 Dec 2025

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 28-04-2026

18 TAXATION (continued)

Statement of financial position

Non – current liabilities

Deferred tax liabilities	6,927,307	7,145,760	6,988,286
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Current liabilities

Current tax liabilities	2,385,369	2,836,488	1,668,957
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Taxation is provided at 15% (31 Mar 2025: 15%) on the net profit for the period adjusted for taxation purposes. Status of the Company's tax assessments are as below:

Tax Years 2018 and 2019: The Company's tax assessment for the years 2018 and 2019 was finalized by the Tax Authority on 19 December 2022 with certain adjustments to the taxable income. The Company filed an objection to the Tax Authority on 30 January 2023 against the additions made by the Tax Authority. The Tax Authority, on 31 May 2023, has issued its decision partially accepting the adjustments to the taxable income against the objection filed by the Company for those assessment years. The Company filed an appeal with the Tax Grievances Committee on 17 July 2023. The Company's appeal before the Tax Grievances Committee has been heard on 31 March 2026 and decision of the Grievance Committee is awaiting for those assessment years.

Tax Year 2020: The Company's tax assessments for the year 2020 have been completed by the Tax Authority and the Company filed an objection to the Tax Authority on 23 January 2025 against the additions made by the Tax Authority for the assessment year 2020. The objection decision for the tax year 2020 has been issued by the Objection Committee on 2 September 2025 partially accepting the adjustments to the taxable income. The Company has suitably accounted for the partial adjustments to the taxable income.

Tax Year 2021: The tax assessment for the year 2021 has been completed by the Tax Authority during the year 2025.

Tax Years 2022 and 2023: The tax assessment proceedings for the years 2022 and 2023 have been initiated.

Tax Year 2024: Tax assessment for the tax year 2024 is pending and has not yet been finalized.

Tax Year 2025: The Company is in process of filing Tax Return for the tax year 2025.

The Board of Directors believe that any additional tax liability likely to arise at the completion of the assessments for the above years would not be material to the financial position of the Company at the end of the reporting date.

a) The reconciliation of taxation on the accounting profit with the taxation charge for the period is as follows:

	31 Mar 2026	31 Mar 2025	31 Dec 2025
	﷼	﷼	﷼
Profit before tax	4,179,852	3,514,580	9,574,410
Taxation on accounting profit at 15%	626,978	531,160	1,436,161
Add / (less) tax effect of:			
Income exempt from tax	(8,040)	(11,598)	(21,038)
Expenses deductible / income not deductible for tax purposes	(2,906)	9,308	(3,829)
Current tax for prior year	-	-	(196,975)
Deferred tax for prior year	39,400	-	57,312
Income tax expense	655,432	528,870	1,271,631

b) Movement in income tax provision is as follows:

	31 Mar 2026	31 Mar 2025	31 Dec 2025
	﷼	﷼	﷼
At 1 January	1,668,957	2,241,645	2,241,645
Charge during the period	716,411	594,843	1,692,053
Payment during the period	-	-	(2,067,766)
Prior years adjustments	-	-	(196,975)
At period end	2,385,369	2,836,488	1,668,957

18 TAXATION (continued)

c) The movement in the deferred taxation balances during the period is attributed to the following items:

Deferred tax liabilities	Accelerated tax depreciation ﷌	Provisions ﷌	Total ﷌
1 January 2026	8,258,345	(1,270,059)	6,988,286
Charge to the statement of comprehensive income	(85,059)	24,080	(60,979)
31 March 2026	8,173,286	(1,245,979)	6,927,307

Deferred tax liabilities	Accelerated tax depreciation ﷌	Provisions ﷌	Total ﷌
1 January 2025	8,428,087	(1,216,356)	7,211,731
Charge to the statement of comprehensive income	(70,225)	4,252	(65,974)
31 March 2025	8,357,862	(1,212,104)	7,145,760

Deferred tax liabilities	Accelerated tax depreciation ﷌	Provisions ﷌	Total ﷌
1 January 2025	8,428,087	(1,216,356)	7,211,731
Charge to the statement of comprehensive income	(169,742)	(53,703)	(223,445)
31 December 2025	8,258,345	(1,270,059)	6,988,286

On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two rules (GloBE Rules). The enacted law introduces a domestic minimum top-up tax (DMTT) and an Income Inclusion Rule (IIR), effective from 1 January 2025. This tax applies to entities that are part of an MNE Group with annual revenues amounting to or exceeding the Omani Rial equivalent of EUR 750 million or more in two of the last four financial years.

For the period ended 31 March 2026, the Company did not recognize any current tax expense related to Pillar Two income taxes, on the basis that the Company's annual revenues does not meet the threshold as described above.

19 RELATED PARTIES TRANSACTIONS AND BALANCES

- a) The Company has entered into transactions with related parties as specified under IAS 24. These transactions arise in the normal course of business and are entered into on terms and conditions approved by the Board of Directors and subject to shareholders' approval at the Annual General Meeting.
- b) The nature and volume of related party transactions during the period are as follows:

	31 Mar 2026 ﷌	31 Mar 2025 ﷌	31 Dec 2025 ﷌
<i>Mondi Oman LLC – Associate Company</i>			
Purchases of goods	404,938	184,490	1,662,507
Dividend received (note 8)	-	-	256,343
Company under common control:			
Deposits received in lieu of tender bonds	-	7,361	19,299
Less: deposits in lieu of tender bonds refunded	(9,466)	-	(9,833)
Depo. in lieu of tend. bonds payable included in accrued exps	-	7,361	9,466

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 28-04-2026

19 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

b) The nature and volume of related party transactions during the period are as follows: (continued)

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
Services related to cooler modification and industrial waste feeding system projects	378,336	17,767	1,009,682
Less: payments related to cooler modification and industrial waste feeding system projects	(267,279)	(17,767)	(742,403)
Balance payable related to cooler modification project	<u>111,057</u>	<u>-</u>	<u>267,279</u>
Recovery of accommodation rent and utility charges under cooler modification project	<u>22</u>	<u>-</u>	<u>3,398</u>
Purchase of stores inventories	7,945	35,164	117,055
Less: payments for purchase of stores inventories	(7,701)	(35,164)	(116,811)
Balance payable for stores inventories	<u>244</u>	<u>-</u>	<u>244</u>
rent Company			
Group reporting audit fee received from group company and paid to auditors	<u>-</u>	<u>-</u>	<u>3,150</u>

Outstanding balances at the period end are unsecured, interest free, repayable on demand and settlement occurs in cash. There have been no guarantees provided or received for any related party balances.

c) The amount due to Mondi Oman LLC of S 314,227 (31 Mar 2025: S 10,413) towards purchase of goods is presented under note 17.

d) The key management personnel compensation for the period comprises:

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
Short-term employment benefits	119,665	146,103	548,059
Post-employment benefits	6,048	7,264	172,688
	<u>125,713</u>	<u>153,367</u>	<u>720,747</u>

e) Board of Directors' remuneration, directors' meeting attendance fee and other expenses for the period comprises:

	31 Mar 2026 S	31 Mar 2025 S	31 Dec 2025 S
Directors' remuneration (note 23)	27,563	27,563	110,250
Directors' meeting attendance fees (note 23)	5,050	5,050	23,751
Directors' other expenses (note 23)	-	952	970
	<u>32,613</u>	<u>33,565</u>	<u>134,971</u>

20 NET ASSETS, BASIC AND DILUTED EARNINGS PER SHARE

a) Net assets per share

Net assets are calculated by deducting total liabilities from total assets.

Net assets per share are calculated by dividing the net assets at the end of the reporting date by the number of shares outstanding as follows:

	31 Mar 2026	31 Mar 2025	31 Dec 2025
Net assets (in Rial Omani)	90,217,477	96,775,988	102,093,057
Number of shares outstanding	330,872,710	330,872,710	330,872,710
Net assets per share (in Rial Omani)	0.273	0.292	0.309

b) Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	31 Mar 2026	31 Mar 2025	31 Dec 2025
Profit for the period (in Rial Omani)	3,524,420	2,985,710	8,302,779
Weighted average number of shares outstanding during the period	330,872,710	330,872,710	330,872,710
Basic and diluted earnings per share (annualized) (in Rials Omani)	0.043	0.036	0.025

As there are no dilutive potential ordinary shares, the diluted earnings per share are identical to the basic earnings per share.

21 REVENUE

	31 Mar 2026	31 Mar 2025	31 Dec 2025
	₹	₹	₹
Sale of finished cement - local	18,202,185	18,239,296	70,272,980
Sale of finished cement - export	82,793	203,969	770,968
	18,284,978	18,443,265	71,043,948
Less: sales discount	(253,668)	(774,815)	(2,101,402)
Net sale of finished cement	18,031,310	17,668,450	68,942,546
Sale of clinker - local	-	260,754	908,842
Less: sales discount	-	-	(3,606)
Net sale of clinker	-	260,754	905,236
Total revenue	18,031,310	17,929,204	69,847,782

The Company's revenue from its customer for sale of goods is recognized at point of time. The geographical markets where the Company operates are disclosed in note 33.

22 COST OF SALES

	31 Mar 2026 	31 Mar 2025 	31 Dec 2025 
Fuel, gas, and electricity	6,853,345	6,083,484	24,917,513
Salaries and employee related costs [note 25 (b)]	2,356,009	2,156,922	8,805,763
Depreciation on property, plant and equipment [note 5 (b)]	1,645,313	1,602,019	6,551,185
Raw material consumed	1,221,092	1,092,074	4,282,328
Stores, spares, and consumable	700,510	630,315	3,916,962
Movement in finished cement, finished clinker, partly processed clinker and raw materials	(1,045,924)	769,806	2,189,731
Repairs and maintenance	328,370	416,284	1,916,303
Packing material	414,151	464,372	1,839,956
Inventories written off (note 10)	-	223,062	953,901
Depreciation on right-of-use assets (note 6)	223,951	224,133	798,810
Reversal of depreciation on right-of-use assets	-	(97,722)	-
Transportation	176,094	160,127	683,866
Provision for slow and non-moving inventories [note 10 (c)]	47,944	62,228	229,825
Land lease rental – short term	3,297	3,315	3,315
	12,924,152	13,790,419	57,089,458

23 GENERAL AND ADMINISTRATIVE EXPENSES

	31 Mar 2026 	31 Mar 2025 	31 Dec 2025 
Salaries and employee related costs [note 25 (b)]	543,589	547,097	2,141,882
Insurance	62,756	65,811	263,365
Depreciation on property, plant and equipment [note 5(b)]	43,831	44,974	174,170
Directors' remuneration [note 19 (e)]	27,563	27,563	110,250
Training costs	5,630	25,319	123,323
Amortisation of intangible asset (note 7)	19,542	19,542	79,253
Legal and professional charges	36,281	8,615	69,575
CSR and donation	80,799	9,167	43,988
Share registration charges	39,705	39,705	39,705
Communication	4,546	6,070	24,636
Directors' meeting attendance fees [note 19 (e)]	5,050	5,050	23,751
Advertisement	9,704	10,868	22,944
Printing and stationery	4,816	5,746	13,299
Directors' other expenses [note 19 (e)]	-	952	970
Bad-debts written off	-	-	13,306
Others	157,013	157,103	561,946
	1,040,825	973,582	3,706,363

24 OTHER INCOME – NET

	31 Mar 2026 	31 Mar 2025 	31 Dec 2025 
Gain/(loss) on foreign exchange valuation	(234)	-	131,254
Sale of scrap	476	15,294	125,328
Rental income	1,782	3,181	14,206
Sale of tender documents	-	2,139	4,913
	2,024	20,614	275,701

25 SALARIES AND EMPLOYEE RELATED COSTS

- a) Salaries and employee related costs included under cost of sales and general and administrative expenditures comprise the following:

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
Salaries and wages	2,070,035	1,893,756	7,947,817
Variable pay	300,903	336,340	1,014,016
Contributions to defined retirement plan for Omani employees	162,648	167,683	646,881
Medical expenses	101,339	92,085	399,854
Accrual of end of service benefits for expatriate employees (c)	46,452	65,569	184,787
Other benefits	218,221	148,586	754,290
	2,899,598	2,704,019	10,947,645

- b) Salaries and employee related costs are allocated as follows:

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
Cost of sales (note 22)	2,356,009	2,156,922	8,805,763
General and administrative expenses (note 23)	543,589	547,097	2,141,882
	2,899,598	2,704,019	10,947,645

- c) The movements in expatriate employees' end of service benefits liability recognised in the statement of financial position are as follows:

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
At 1 January	1,010,291	1,068,866	1,068,866
Charge for the period (a)	46,452	65,569	184,787
Paid during the period	(26,831)	(72,562)	(243,362)
At period end	1,029,912	1,061,873	1,010,291

26 NET FINANCE INCOME

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
<i>Finance income:</i>			
Interest on call accounts and bank deposits	159,811	369,020	653,149
Fair value changes in investments at fair value through profit or loss (note 9)	21,549	80	30,820
Dividend income	181	7,093	13,175
	181,541	376,193	697,144
<i>Finance costs:</i>			
Finance cost on lease liabilities (note 16)	(142,329)	(152,427)	(609,708)
Net finance income	39,212	223,766	87,436

27 ALLOWANCE / (REVERSAL) FOR EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL ASSETS

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
At 1 January	49,650	97,348	97,348
Movement during the period:			
ECL loss/ (reversal) on trade receivable [note 11 (e)]	2,398	2,743	(12,795)
ECL (reversal) on call deposits (note 12)	(21,261)	(64,002)	(34,903)
	(18,864)	(61,259)	(47,698)
At period end	30,788	36,089	49,650

28 FINANCIAL INSTRUMENTS BY MEASUREMENT

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
Categories of financial instruments			
Financial assets (at amortised cost)			
Trade and other receivables excl adv and prepay (note 11)	9,217,201	9,527,019	8,365,600
Cash and cash equivalents (note 12)	14,804,461	5,596,987	19,872,982
Financial assets (at fair value through profit or loss)			
Inv. at fair value through profit or loss – Level 1 (note 9)	142,192	89,903	120,643
	24,163,854	15,213,909	28,359,225
Financial liabilities (at amortised cost)			
Lease liabilities (note 16)	9,047,159	9,679,177	10,136,458
Trade and other payables excluding output VAT - net and advance from customers (note 17)	17,679,728	6,313,186	9,862,478
	26,726,887	15,992,363	19,998,936

The fair values of the financial instruments are not materially different from their carrying values. There were no transfers between Level 1 and Level 2 during the current and prior period.

29 COMMITMENTS

a) Capital commitments

At the end of the reporting date, the Company had approved capital commitments amounting to ₹ 2,581,574 mainly relating to supply and commissioning of new reclaimer, installation and commissioning of switchgear 6.6Kv for ER22, cost of industrial waste feeding system at Kiln 1 pre-calciner, installation of 132 Kv grid station, semi-automatic truck loading plant and capital spares & parts (31 Mar 2025: ₹ 2,728,410 mainly relating procurement of waste shredding machine for alternate use of waste materials, construction of CWC steel silo of 1000MT project, switchgear 6.6Kv for line 2 and capital spares & parts).

b) Other purchase commitments

The Company had purchase commitments in the normal course of business amounting to ₹ 9,494,454 (31 Mar 2025: ₹ 13,680,879).

30 CONTINGENT LIABILITIES

a) Contingent liabilities in normal course of business

At the end of the reporting date, the Company had contingent liabilities amounting to ₹ 125,000 (31 Mar 2025: ₹ 28,852) in respect of bank guarantees given in the normal course of business to Oman Tax Authority for postponement of VAT payments on imports at customs and Public Authority for Mining and Environment Authority, Sultanate of Oman from which it is anticipated that no material liabilities will arise. Furthermore, the Company had contingent liabilities amounting to ₹ 38,371 (31 Mar 2025: ₹ 325,036) in respect of letter of credit issued by banks in the normal course of business.

30 CONTINGENT LIABILITIES (continued)

b) Contingent liabilities related to natural gas consumption reduction commitment

Pursuant to the Natural Gas Supply Agreement (“NGSA”) and in accordance with a directive issued by the Ministry of Energy and Minerals (“MEM”) in October 2020, the Company committed to achieving a minimum 5% reduction in natural gas consumption, equivalent to 570,000 MMBtu, through the substitution of natural gas with alternative fuels. This reduction is required to be achieved in about the five-year period commencing agreement execution date 1 October 2020 and ending 31 December 2025. The commitment further stipulates that, should the required reduction in natural gas consumption not be achieved through alternative fuel substitution or other initiatives, the relevant authorities may exercise their contractual rights under the NGSA to claim for the difference between the Lower Heating Value (LHV) and the Gross Heating Value (“GHV”) of the gas supplied during the period from 1 October 2020 to 31 December 2025.

To fulfil this obligation, the Company undertook significant capital investments and entered into contractual arrangements to secure and utilise alternative fuels. This included a long-term agreement with Be’ah (Oman Environmental Services Holding Company SAOC or the “supplier”), a government-owned entity, for the supply of tyre-derived fuel (“TDF”). The availability of tyre chips under this arrangement represented a critical input to the Company’s alternative fuel strategy, as it directly supported the required substitution of natural gas with alternative fuels at the scale necessary to meet the mandated reduction target.

The Company undertook multiple initiatives some of which commenced even prior to the formal commitment, including feasibility studies initiated in 2017 and continued its efforts throughout the period from October 2020 to 2025. These initiatives included the development and implementation of tyre-feeding systems, waste-feeding systems, waste-shredding facilities, the installation of a PGNA (Prompt Gamma Neutron Activation Analysis) analyser, and various kiln-efficiency upgrades. As a result of these actions, the Company achieved a reduction in natural gas offtake during the year ended 31 December 2025 when compared with its Annual Contract Quantity (“ACQ”).

Although the Company did not achieve the targeted 5% reduction in natural gas consumption through the specific initiatives envisaged, management’s assessment indicates that overall gas consumption decreased by 6.33% during the commitment period through usages of alternative fuel and other alternative measures. Management believes that the methodology applied for measuring reduction, the external supply constraints experienced, which are outside the Company’s control, and the broader operational initiatives undertaken may be a relevant consideration for the authorities when assessing whether enforcement action is warranted.

Further, as part of its ongoing negotiations with IGC, the Company has proposed a three-year plan, communicated in its letter dated 23 February 2025, commencing from 2026, to achieve a 5% reduction in natural gas consumption by end of 2028 through various initiatives, including but not limited to the use of alternative fuels and other measures. Preliminary consensus has been reached on the proposal and is now awaiting written confirmation from IGC.

IGC and the Company held discussions to determine the way to proceed and have ultimately agreed to amend the contract effective from 1 January 2026 to readjust daily contract quantities and inclusion of spot sales quantities.

Accordingly, based on the above no provision has been recognised in these financial statements.

31 FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company’s audit committee oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

a) Market risk

Currency risk

The majority of the transactions and balances are either in Rial Omani or USD. As the Rial Omani is pegged to the USD, balances in USD are not considered to represent significant currency risk. The Company is not exposed to significant currency risk as at 31 March 2026 (31 Mar 2025: No significant exposure to currency risk).

Interest rate risk

The Company analyses its interest rate exposure on a regular basis, renegotiates interest rates at terms favorable to the Company and ensures that they are as far as possible on a fixed rate basis. The bank deposits including call deposits are at a fixed interest rate, therefore, there is no exposure to interest rate risk.

Price risk

The Company's investments are subject to market price risk arising from uncertainties about future prices of equities. Market price risk is managed through the diversification of the investments, thereby avoiding concentration of investments in individual securities. Furthermore, the Company's investments are managed according to the guidelines provided by the Board of Directors which are consistent with the investment policies and procedures.

The Company's quoted investments are publicly traded in the Muscat Stock Exchange (MSX). Assuming that:

- the MSX index would have changed by 5%;
- the Company's equity instruments move according with the historical correlation with the index; and
- all other variables are constant.

The impact on the net profit of the Company would approximate ~~OMR~~ 7,110 (31 Mar 2025: ~~OMR~~ 4,495).

b) Credit risk

The credit risk on trade receivable is limited to their carrying values. The Company has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. For customers where there is no independent rating agency established in the country, the Company assesses the credit quality of the customers, considering their financial position, past experience and other factors. Individual credit limits for the customers are established based on the amount of bank guarantees provided. The credit customers are required to provide guarantees for all outstanding amounts as the Company regularly reviews these balances to assess recoverability and makes provision for balances whose recoverability is in doubt.

For trade receivables, 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.

The Company has recognized a loss allowance of 100% against all receivables over 365 days past due which are not backed by bank guarantees because historical experience has indicated that these receivables are generally not recoverable.

For bank balances and deposits, the Company does not consider credit risk to be significant as the balances and the deposits are placed with reputed banks. However, the expected credit loss is recorded on a prudent basis.

The maximum exposure to credit risk at the reporting date, without taking into account collateral or other credit enhancements was:

	31 Mar 2026 OMR	31 Mar 2025 OMR	31 Dec 2025 OMR
Bank balances	14,804,295	5,596,821	19,872,815
Trade receivables	8,927,303	9,194,977	8,056,696
Other receivables*	289,898	332,042	308,904
	<u>24,021,496</u>	<u>15,123,840</u>	<u>28,238,415</u>

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

c) Credit risk (continued)

* Other receivables exclude prepayments and advances to suppliers.

The table below shows the balances with banks categorized by short-term credit rating as published by Moody's investor's service at the reporting date.

<i>Bank</i>	<i>Rating agency</i>	<i>Credit rating</i>	<i>31 Mar 2026</i> ₹	<i>31 Mar 2025</i> ₹	<i>31 Dec 2025</i> ₹
Ahli Bank SAOG	Fitch	BB+	3,441,174	3,138,246	13,961,915
Bank Muscat SAOG	Moody's	Baa3	802,345	1,383,571	3,766,835
Oman Arab Bank SAOG	Moody's	BB+	10,067,667	176,771	1,060,999
National Bank of Oman SAOG	Moody's	Ba1	408,872	432,728	1,020,799
Sohar Islamic Bank	Fitch	BB+	94,796	459,938	94,076
Sohar International SAOG	Fitch	BB+	3,501	-	3,501
Bank Dhofar SAOG	Fitch	BB	1,910	1,924	1,921
Meethaq Islamic Bank	Moody's	Baa3	1,397	1,400	1,397
Misarah Islamic Banking & Serv	Fitch	BB	-	11,771	-
			14,821,662	5,606,349	19,911,443

The Company monitors liquidity requirements on a regular basis and ensures that sufficient funds are available, including unutilized credit facilities to meet all liabilities as they fall due. The Company manages liquidity risk of maintaining adequate reserves, banking facilities, and borrowing facilities by continuously monitoring forecast and actual cash flows.

<i>31 March 2026</i>	<i>Carrying value</i> ₹	<i>Contractual cashflows</i> ₹	<i>Less than one year</i> ₹	<i>Between one and five years</i> ₹	<i>More than five years</i> ₹
Lease liabilities	9,047,159	12,316,280	1,231,628	6,158,140	4,926,512
Trade and other payables*	17,679,728	17,679,728	17,679,728	-	-
	26,726,887	29,996,008	18,911,356	6,158,140	4,926,512
<i>31 March 2025</i>	<i>Carrying value</i> ₹	<i>Contractual cashflows</i> ₹	<i>Less than one year</i> ₹	<i>Between one and five years</i> ₹	<i>More than five years</i> ₹
Lease liabilities	9,679,177	9,679,177	1,231,628	6,158,140	6,158,140
Trade and other payables*	6,313,186	6,313,186	6,313,186	-	-
	15,992,363	15,992,363	7,544,814	6,158,140	6,158,140
<i>31 December 2025</i>	<i>Carrying value</i> ₹	<i>Contractual cashflows</i> ₹	<i>Less than one year</i> ₹	<i>Between one and five years</i> ₹	<i>More than five years</i> ₹
Lease liabilities	10,136,458	13,584,371	1,231,621	6,174,714	6,174,714
Trade and other payables*	9,862,478	9,862,478	9,862,477	-	-
	19,998,936	23,446,849	11,094,098	6,174,714	6,174,714

*Trade and other payables exclude VAT payable and advance from customers.

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

c) Capital management (continued)

The Company's objectives when managing capital is to enable the entity to continue as a going concern, so that it can continue to provide adequate returns to the shareholders. The Company also ensures compliance with externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholders, return capital to shareholders or raise additional capital.

The capital structure of the Company includes share capital, reserves and retained earnings. During the current and prior period, there is no change in the capital management policy of the Company.

Gearing ratio:

The gearing ratio is calculated by dividing total equity by the debt balance. Since there is no outstanding debt, the ratio is nil as of the reporting date (31 Mar 2025: nil).

32 DIVIDEND

The proposed dividend for 2025 **₹** 15,400,000 was approved by shareholders in AGM held on 28 March 2026 and dividend amounts relating to minority shareholders amounting **₹** 5,442,463 transferred to Muscat Clearing and Depository SAOC on 31 Mar 2026 and the transfer of dividend relating to majority shareholders amounting **₹** 9,957,537 was in process at reporting date and effected on 1 April 2026.

The proposed dividend for 2024 **₹** 29,778,544 was approved by shareholders in AGM held on 20 March 2025 and paid on 26 and 27 March 2025.

33 OPERATING SEGMENT

- The Company operates in one reportable segment of manufacture and sale of cement, which constitutes 100% (31 Mar 2025: 100%) of the total revenue of the Company. The Company also sold a small quantity of clinkers during the year 2025. The operating segment is identified based on internal reports about the components of the Company that are regularly reviewed by the Board of Directors in order to allocate resources to the segments and to assess their performance. All the relevant information relating to this segment is disclosed in the financial statements.
- The Company mainly operates in the geographical segment of the Sultanate of Oman and other GCC countries, 99.55% (31 March 2025: 98.86%) of total sales and related trade receivable are within this geographical segment.
- The Company's gross revenue from customers by geographical locations is detailed below:

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
Sale of finished cement - local	18,202,185	18,239,296	70,272,980
Sale of finished cement - export	82,793	203,969	770,968
Sale of clinker - local	-	260,754	908,842
	18,284,978	18,704,019	71,952,790

33 OPERATING SEGMENT (continued)

d) Region-wise export sales are detailed below:

	31 Mar 2026 ₹	31 Mar 2025 ₹	31 Dec 2025 ₹
Iraq	26,816	155,757	513,880
Cameroon	-	-	107,802
Kenya	16,502	17,189	85,948
Nairobi	-	49,506	49,506
Libya	-	13,104	13,105
New Zealand	-	728	727
UAE	-	17,189	-
Bangladesh	16,178	-	-
Chad	23,297	-	-
	82,793	203,969	770,968

e) Outstanding trade receivables in respect of export sales are nil (31 Mar 2025: nil).

f) The Company's gross revenue from key customers is as follows:

	31 Mar 2026		31 Mar 2025		31 Dec 2025	
	₹	% of gross sales	₹	% of gross sales	₹	% of gross sales
Customer more than 5% revenue	3,017,753	17	5,317,689	29	14,292,835	20
Others	15,267,225	83	13,386,330	71	57,659,955	80
	18,284,978	100	18,704,019	100	71,952,790	100

g) The geographical location of non-current assets owned by the Company is as follows:

Non-current assets other than financial assets of ₹ 91,133,751 (31 Mar 2025: ₹ 85,517,238) are located in Oman.

34 CLIMATE RELATED RISKS

The Company and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally.

While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains. The Company is making progress on embedding climate risk in its risk framework.