

Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

1. Legal status and principal activities

Al Anwar Holdings SAOG (the “Parent Company”) is an Omani joint stock company incorporated on 20 December 1994 and registered in the Sultanate of Oman. The business activities of Parent Company and its subsidiary companies (together referred to as the “Group”) include promotion of and participation in a variety of ventures in the financial services and industrial sector in the Sultanate of Oman.

2. Significant accounting policies - General

The following accounting policies have been consistently applied in dealing with items considered material to the Group’s and Parent Company’s financial statements.

a. Statement of compliance and basis of preparation

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and interpretation issued by the relevant body of the International Accounting Standards Board, the requirements of the Commercial Companies Law of the Sultanate of Oman, 1974 (as amended) and the rules for disclosure requirements prescribed by the Capital Market Authority (“CMA”).

The unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention, except that investments at fair value through profit or loss, investments available for sale and investment property are stated at their fair values and the held-to-maturity investments which are stated at amortised cost.

The unaudited condensed interim consolidated financial statements are presented in Rial Omani (“RO”), which the Board of Directors believes is the functional currency of the Parent Company. All financial information presented in RO has been rounded to the nearest thousand.

b. Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account.

The unaudited financial statements of subsidiaries are included in the unaudited condensed interim consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The unaudited condensed interim consolidated financial position incorporates the assets and liabilities of the Parent Company and its subsidiaries. All significant inter-company balances, transactions, income and expenses have been eliminated on consolidation.

For the purpose of consolidation, financial position and results of operations of the subsidiaries are consistently considered on the basis of their audited financial statements for the period ended on the preceding 30 June. Adjustments are made for significant transactions which took place between the reporting date of subsidiaries and the Parent Company.

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2. Significant accounting policies - General *(continued)*

c. Investments

Subsidiary

In the Parent Company's stand alone unaudited condensed statement of financial position, the investments in subsidiaries are carried at cost. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Associate

An entity over which the Group exercises significant influence but not control is classified as an associate.

The unaudited condensed interim consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis. For the purpose of which financial position and results of operations of the associates are consistently considered on the basis of their unaudited financial statements for the period ended on the preceding 30th September. Adjustments are made for significant transactions which took place between the reporting date of associates and the Parent Company.

The investments in associates are carried at cost in the Parent Company's stand alone unaudited condensed statement of financial position.

Investments held to maturity

Investments which are held with a positive intent and ability to hold until maturity are classified as held to maturity. They are initially recognised at cost and subsequently re-measured at amortised cost.

Investments at fair value through profit or loss

These are the investments which management, if considers eligible, designates as fair value through profit and loss upon their initial recognition.

Trading assets

Trading assets are those assets and liabilities that the Group acquire or incur principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short term profit or position taking.

Trading assets are initially recognized and subsequently measured at fair value in the financial position with transaction cost taken directly to the profit or loss. All changes in fair value are recognized as part of net trading income in profit or loss. Trading assets are not reclassified subsequent to their initial recognition.

Investments available for sale

Other investments are classified as available for sale. They are re-measured at fair value after initial recognition. Gains and losses on re-measurement are reported in the statement of changes in equity.

Fair value measurement

For investments actively traded in organized financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the financial position date. Unquoted investments are valued at fair value when they can be reliably measured; otherwise they are stated at cost.

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2. Significant accounting policies - General *(continued)*

c. Investments *(continued)*

Dividend income

Dividend income from investments is accounted when the right to receive payment is established. Interest income on investments available for sale is recognised when the entitlement arises.

Gain on disposal of investments

Gain on disposal of investments is determined by the difference between sales proceeds and cost or carrying value and is credited to the statement of income.

d. Intangible assets

Goodwill

Goodwill arising on acquisition of subsidiaries and associates is initially recognised at cost, being the excess of cost of business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is subsequently measured at cost less accumulated impairment losses. Negative goodwill is recognised immediately in the statement of income. Impairment losses, if any, in respect of goodwill arising on consolidation of subsidiaries and investment in associates are assessed on an annual basis.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

e. Leases

Operating lease payments are recognised in the statement of income on a straight line basis.

f. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Subsequent expenditure is capitalized only when it is probable that it will result in increased future economic benefits. All other expenditure is recognised in the statement of income as an expense as incurred.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful economic lives of items of property, plant and equipment. The estimated useful lives are as follows:

	Years
Buildings on leasehold land	20
Plant, machinery and equipment	4 - 15
Motor vehicles	3 - 5
Furniture and fixtures	3 - 8
Software	3
Capital work in progress is not depreciated.	

g. Investment properties

Investment properties are initially measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment are included in the statement of comprehensive income in the year in which they arise.

Investment properties are derecognised when they have either been disposed off or when the investment properties are permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of investment properties are recognised in the statement of comprehensive income in the year of derecognition.

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2. Significant accounting policies - General *(continued)*

h. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Cost of raw materials is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Work in progress and finished goods includes material costs and, where applicable, an appropriate share of overheads based on normal operating capacity.

i. Accounts and other receivables

Accounts receivable originated by the Group, are measured at cost. Bad debts are written off or provided for as they arise and provision is made for doubtful receivables.

j. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consists of cash and bank balances with maturity of three months from the financial position date.

k. Impairment

Financial assets

At each financial position date, the Group's management assesses if there is any objective evidence indicating impairment of the carrying value of financial assets or non-collectability of receivables.

Impairment losses are determined as differences between the carrying amounts and the recoverable amounts and are recognised in the statement of income. Any reversal of impairment losses are recognised as income in the statement of income. The recoverable amounts represent the present value of expected future cash flows discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted.

Non financial assets

Other than the goodwill arising on consolidation of subsidiaries and investment in associates [refer note (d) above] at each financial position date, the Group assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Group's management estimates the recoverable amount of the asset and recognises an impairment loss in the statement of income. Other than for goodwill, the Group's management also assesses if there is any indication that an impairment loss recognised in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognised immediately in the statement of income.

The recoverable amount adopted is the higher of net realisable value or market value and its value in use.

l. Employees' end of service benefits

Payment is made to Omani Government's Social Security Scheme in accordance with the Royal Decree Number 72/91 (as amended) for Omani employees. Provision is made for amounts payable under the Sultanate of Oman's labour law in accordance with Royal Decree number 35/2003 (as amended) applicable to expatriate employees' accumulated periods of service at the financial position date.

m. Provisions

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

Notes

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2. Significant accounting policies - General *(continued)*

n. Trade and other payable

Liabilities are recognised for amounts to be paid for goods and service received, whether or not billed to the Group.

o. Government term loans and deferred income

Carrying values

The carrying values of the interest free and low interest Government term loans are determined as the present values of the loans adopting the interest rates that reflect the current cost of similar borrowing on similar loan terms from a commercial bank.

Finance charge

The effective interest charge arises as a result of accounting for the fair values of the government related term loans and therefore represents the actual interest incurred for the year plus an amount arising from movements in the carrying values of the loans in the year.

Deferred income

The amount of deferred income relating to the government term loans is released to the profit or loss in such a way as to spread the income over the effective interest charge to which it relates.

p. Operating income

Operating income represents the invoice value of goods sold during the year, net of discounts and returns, and is recognised in the statement of income, when the significant risks and rewards of ownership have been transferred to the buyer.

q. Finance charges

Finance charges comprise interest payable on term loans and bank borrowings, interest subsidy, and are net of interest receivable on bank deposits. Finance charges are recognised as an expense in the statement of income in the period in which they are incurred.

r. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is provided in accordance with the Sultanate of Oman's fiscal regulations. Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated at the tax rates that are expected to apply to the period when it is anticipated the liabilities will be settled, and it is based on the rates (and laws) that have been enacted at the financial position date.

Deferred tax assets are recognised in relation to carry forward losses and unused tax credits to the extent that it is probable that future taxable profits will be achieved.

s. Foreign currencies

Foreign currency transactions are translated into Omani Rials at the exchange rate prevailing on the transaction date. Foreign currency monetary assets and liabilities at the financial position date are translated at the rates of exchange prevailing at that date. Exchange differences that arise are recognised in the statement of income.

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2. Significant accounting policies - General *(continued)*

t. Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' operating results are reviewed regularly by the Parent Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

u. Dividend

The Board of Directors takes into account appropriate parameters including the requirements of the Commercial Companies Law while recommending the dividend.

Dividend distribution to the Parent Company's shareholders is recognized as a liability in the Group's and Parent Company's stand alone unaudited condensed statement of financial position in the period in which the dividend is declared.

v. Directors' remuneration and meeting attendance fees

The Company follows the Commercial Companies Law 1974 (as amended), and other latest relevant directives issued by CMA, in regard to determination of the amount to be paid as Directors remuneration and sitting fee are charged to the statement of income in the year to which they relate.

w. Estimates and judgements

In preparing the consolidated financial statements, the Board of Directors is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgement based on historical experience and other factors are inherent in the formation of estimates. Actual results in the future could differ from such estimates. The Board of Directors test annually whether goodwill, investments in subsidiaries, associates and other financial assets have suffered any impairment which requires the use of estimates.

x. Earnings and net assets per share

The Group presents earnings per share (EPS) and net assets per share data 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.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

y. New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2012, and therefore have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of the Group.

Notes

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3. Significant Accounting Policies - Insurance Operations

a. Gross premium written

Premium on insurance contracts are recognized as revenue (earned premiums) proportionally over the period of coverage.

b. Reserve for unexpired risks/ unearned premium reserve

The reserve for unexpired risk represents the estimated portion of net premium income after deduction of the reinsurance share which relates to period of insurance subsequent to the statement of financial position date.

The reserve is calculated in accordance with the Insurance Companies Law of the Sultanate of Oman at 45% of the net retained premium for the year, for all classes of general business. The reserve for unexpired risks for life business is created on the basis of actuarial valuation performed on an annual basis.

c. Commission earned and paid

Commission earned and paid are recognised at the time policies are written.

d. Provision for out standing claims

Provision for outstanding claims is recognized at the date the claims are known and covers the liability for loss and loss adjustment expenses based on loss reports from independent loss adjusters and management best estimate.

e. Reinsurer's share of claims

Contracts entered into by the subsidiary with reinsurers under which the subsidiary is compensated for losses on one or more insurance contracts issued by the subsidiary are classified as reinsurance contract held by the subsidiary. The benefits to which the subsidiary is entitled under its reinsurance contracts held are recognised as reinsurance assets. these assets consists of short term balances due from reinsurers. Amount recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expenses when due.

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4. Property plant and equipment

RO '000

Group	Buildings on leasehold land	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Capital work in progress	Total
Cost						
1-Apr-12	-	-	73	347	-	420
Arising from acquisition of subsidiary	-	-	-	-	-	-
Additions during the period	-	-	25	21	-	46
Disposal during the period	-	-	-	-	-	-
30-Sep-12	-	-	98	368	-	466
Depreciation						
1-Apr-12	-	-	71	250	-	321
Arising from acquisition of subsidiary	-	-	-	-	-	-
Charge for the period	-	-	3	22	-	25
Related to disposal	-	-	-	-	-	-
30-Sep-12	-	-	74	272	-	346
Net book value						
At 30 September 2012	-	-	24	96	-	120
At 30 September 2011	844	2,739	40	118	99	3,840
At 31 March 2012	-	-	2	98	-	100

5. Intangible assets

	Customer Portfolio	License	Goodwill	RO '000 Total
Cost				
1-Apr-12	560	290	493	1,343
Arising from acquisition of subsidiary	-	-	-	-
Arising from consolidation	-	-	-	-
30-Sep-12	560	290	493	1,343
Amortisation				
1-Apr-12	360	131	100	591
Arising from subsidiary	-	-	-	-
Charge during the period	28	20	-	48
30-Sep-12	388	151	100	639
Net book value				
At 30 September 2012	172	139	393	704
At 30 September 2011	228	179	456	863
At 31 March 2012	200	159	393	752

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6. Investments

Investments in subsidiaries, associates and investments at fair value through profit or loss represent companies registered in the Sultanate of Oman, Kuwait, Bahrain and India having financial reporting periods ended on 30 September, 2012. The carrying value of these investments are as follows:

		RO'000		
		30-Sep 2012	30-Sep 2011	31-Mar 2012
Associates :	Quoted	15,882	13,447	15,179
	Unquoted	1,480	1,014	1,210
	Total	17,362	14,461	16,389
At fair value through statement of Income :	Quoted	293	610	368
	Un Quoted	801	474	805
	Total	1,094	1,084	1,173
Available for sale investments:	Quoted	698	114	119
	Unquoted	140	122	140
	Total	838	236	259
Held for trading :	Quoted	3,058	2,625	3,063
Held for Sale :	Quoted	471	471	471
Total Investments		22,823	18,877	21,355

Investments having a total carrying value of RO 1.3 million (2011: RO 1.5 million) are registered in the name of Al-Anwar International Investment LLC for and on behalf of the Parent Company.

The Group's quoted investments are listed on the stock exchanges of Oman and India.

a. Investment in subsidiary

Details of investment in subsidiaries of the parent company are as follows: -

	Proportion held		Paid up share capital	
	30-Sep 2012	30-Sep 2011	30-Sep 2012	30-Sep 2011
Falcon Insurance SAOC (FIC)	51.00%	51.00%	5,400	5,400
Sun Packaging Company LLC (SPC)	-	62.50%	-	1,550
Al Anwar International Investment LLC (AAII)	100.00%	100.00%	150	150
Al Anwar Securities SAOC (AAS)*	100.00%	100.00%	1,000	1,000

On 3 July 2002, the Parent Company entered into an agreement for transferring its 60% interest in Sun Plastics Company LLC to the minority shareholder. Up to the date of approval of these financial statements, the formal transfer of shares to the minority shareholder has not taken place.

* Post balance sheet date, based on the recommendation of the Board and approval of the shareholders, the company has changed its name and structure to Al Anwar Development LLC and reduced its capital to RO 500,000 from the earlier capital of RO 1 million with effect from 6th November, 2012.

Notes

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6. Investments (Continued)

b. Investment in associate

Summary of financial information for investment in associates not adjusted for the percentage held by the Parent Company:

	Shareholding percentage	Status	Total assets	Total liabilities	Total revenues	RO'000 Profit or loss
30-Sep-12						
Voltamp Energy SAOG	25.00%	Quoted	22,366	8,196	7,684	264
Taageer Finance Company SAOG	33.63%	Quoted	91,987	64,688	5,066	1,935
Al Maha Ceramics SAOC	32.00%	Unquoted	10,597	6,031	4,181	845
			124,950	78,915	16,931	3,044
30-Sep-11						
Voltamp Energy SAOG	25.00%	Quoted	21,418	6,784	7,525	988
Taageer Finance Company SAOG	25.63%	Quoted	82,996	57,771	4,679	1,409
Al Maha Ceramics SAOC	32.00%	Unquoted	10,114	7,005	2,637	222
			114,528	71,560	14,841	2,619

The movement in carrying value of investments in associates, net of impairment, in group accounts is as follows:

	2012	RO'000 2011
At 1 April	16,389	12,342
Additional investments/transfer from investments	-	1,523
Disposal of investment/transfer to investments	-	(104)
Dividends received	(14)	-
Share of profit after tax	987	700
Impairment of investments	-	-
Share of changes in fair value	-	-
At 30 September	17,362	14,461

c. Investment at fair value through Statement of Income

Sector-wise analysis of the Group's investment in financial asset at fair value through statement of comprehensive income is as follows:

	30-Sep 2012	30-Sep 2011
Banking	8%	10%
Leasing	11%	14%
Financial services	52%	55%
Industry	22%	14%
Others	6%	7%

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6. Investments (Continued)

c. Investment at fair value through Statement of Income (Continued)

Group's investment in investment at fair value through statement of comprehensive income having the market value of 10% or more of the Group's total investments at fair value in quoted securities is as follows:

Group	Percentage of the portfolio	Number of securities	Market value RO'000	Carrying value RO'000
Sep-12				
Almondz Global Securities Ltd.	6%	3,091,500	213	213
Muscat Finace Company SAOG; held by subsidiary	11%	2,168,430	371	371
Sep-11				
Almondz Global Securities Ltd.	14%	3,091,500	526	526
Muscat Finace Company SAOG; held by subsidiary	12%	2,960,142	456	456

Group's investment at fair value thru statement of comprehensive income & held for trading are further analysed as follows:-

	Fair value		Book Value		RO'000 Fair Value
	30-Sep 2012	30-Sep 2011	30-Sep 2012	30-Sep 2011	31-Mar 2012
Quoted					
Quoted at Muscat Securities Market					
Banking	349	375	349	375	385
Leasing	471	503	471	503	552
Financial services	1,480	1,023	1,480	1,023	1,419
Industry & Others	838	808	838	808	788
Quoted at foreign securities markets					
Financial Services	213	526	213	526	288
Total quoted investment	3,351	3,235	3,351	3,235	3,432
Unquoted					
Financial Services	477	474	477	474	481
Industry	324	-	324	-	324
Total unquoted investment	801	474	801	474	805
Total investment at Fair value thru profit & loss and held for trading	4,152	3,709	4,152	3,709	4,237

In accordance with the Oman Insurance Companies Law of 1979 ("the legislation"), as amended, a subsidiary of the Group has pledged certain investments under lien to the Capital Market Authority amounting to RO 5,682,992 as at 30 September 2012 (30 September 2011 – RO 5,462,105). Under the terms of the legislation, the company may utilise these assets only with the prior approval of the Capital Market Authority.

7. Group's share of profits / (loss) of associates:

	30-Sep 2012	RO'000 30-Sep 2011
Voltamp Energy SAOG	66	293
Al Maha Ceramics SAOC	270	71
Taageer Finance Company SAOG	651	336
	987	700

8. Investment property

Investment property represents land purchased by the Parent Company intended for sale or development. The land is stated at its cost of RO 3.000 million. Management believes that costs are equals to its fair value at the reporting date. It also includes land purchased by one of its subsidiary which is stated at fair value.

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9. Inventories

	30-Sep	30-Sep	RO'000 31-Mar
	2012	2011	2012
Raw materials	-	2,541	-
Work in progress	-	958	-
Finished goods	-	68	-
Less: Impairment allowance	-	(44)	-
	-	3,523	-
Movement in the impairment allowance is as follows:			
As at 1st April	-	38	-
Effect of disposal of subsidiary	-	-	-
Provided during the period	-	6	-
Write back during the year	-	-	-
As at 30 September	-	44	-

10. Trade and other receivables

	30-Sep	30-Sep	RO'000 31-Mar
	2012	2011	2012
Trade receivables	-	3,308	-
Premium receivable	3,517	2,354	2,663
Impairment allowance	(160)	(400)	(160)
	3,357	5,262	2,503
Insurance Account Receivables	1,001	511	341
Prepayments and other receivables	65	213	241
Amounts due from related parties (note 18)	63	295	992
	4,486	6,281	4,077
Movement in impairment allowance is as follows:			
As at 1st April	160	155	155
Effect on disposal/acquisition of subsidiary	-	-	(120)
Provided during the period	-	245	125
Written back during the period	-	-	-
As at 30 September	160	400	160

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11. Insurance liabilities and reinsurance assets

	30-Sep	30-Sep	RO'000
	2012	2011	31-Mar
			2012
Gross Insurance contract liabilities	9,403	8,174	9,330
Due to reinsurance	5,552	3,479	3,107
Less : Reinsurers' share of insurance liabilities	(5,482)	(5,450)	(6,084)
Total insurance liabilities – net	9,473	6,203	6,353

* IBNR represents provisions for losses incurred but not yet reported.

**Unearned premium reserve represents the element of premium income, relating to periods of cover after the period end.

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12. Share capital and reserves

a) Share capital

The authorised share capital of the Parent Company comprises 200,000,000 (2011: 200,000,000) shares of 100 baisas (2011: Bz 100) each. The issued and fully paid up share capital consists of 120,000,000 (2011: 120,000,000) shares of 100 baisas (2011: Bz. 100) each. Movement in number of shares during the year is as follows:

	2012	2011
1-Apr	<u>120,000,000</u>	<u>120,000,000</u>
Stock dividend	-	-
	-----	-----
30-Sep-12	<u>120,000,000</u>	<u>120,000,000</u>
	=====	=====

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

	Number of shares held	2012	Number of shares held	2011
Fincorp Investment Company LLC	31,807,540	26.51%	35,474,518	29.56%
Financial Services Company SAOG - Trust	19,429,202	16.19%	19,429,202	16.19%
Mohamed and Ahmed Al Khonji LLC	6,040,613	5.03%	6,040,613	5.03%
	=====	=====	=====	=====

b) Legal Reserve

As required by Article 106 of the Commercial Companies Law of the Sultanate of Oman, the Company and each of the Group entities incorporated in the Sultanate of Oman, transfer 10% of their profit for the year to such reserve until such time as the statutory reserve amounts to at least one third of the respective company's capital.

c) Fair Value Reserve

The Group has recognised its share of fair value reserve of the associates and a subsidiary.

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13. Term Loans

	30-Sep 2012	30-Sep 2011	RO'000 31-Mar 2012
Non-current portion			
From commercial banks	3,990	5,207	4,368
From Government	-	309	-
Deferred government grant	-	80	-
	3,990	5,596	4,368
Current portion of term loans			
From commercial banks	1,991	3,029	1,891
From government	-	137	-
	1,991	3,166	1,891
	5,981	8,762	6,259

Term loans obtained by the Parent Company from commercial banks are secured by pledge of the shares in subsidiaries, associates and other investments.

Government term loans are obtained by a subsidiary and are secured by joint insurance and a first charge on all assets of the subsidiary.

14. Bank Borrowings

The Parent Company has overdraft facilities of RO 600,000 (2011: RO 600,000) from two commercial banks. The interest on bank borrowings is charged at commercial rates.

A subsidiary of the group has total working capital facilities of RO 0.9 million (2011: RO 7.9 million). The interest is charged at commercial rate. The facility is secured by second pari-passu charge on the assets of the company.

15. Trade and Other payables

	30-Sep 2012	30-Sep 2011	RO'000 31-Mar 2012
Trade payables	1,260	4,408	1,604
Accruals and other payables	2	170	3
Provision for income tax	236	276	236
	1,498	4,854	1,843

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16. Underwriting results

This is analysed as follows:

	30-Sep 2012	RO '000 30-Sep 2011
Revenue		
Gross written premiums arising from insurance contracts	6,143	5,497
Movement in unearned premiums	(394)	289
Insurance premium revenue (a)	5,749	5,786
Premiums (net of commission) ceded to reinsurers on insurance contracts issued	(2,939)	(2,711)
Movement in unearned premiums	143	(292)
Insurance premium ceded to reinsurers (b)	(2,796)	(3,003)
Gross insurance claims and loss adjustment expenses	(2,850)	(5,194)
Insurance claims and loss adjustment expenses recovered from reinsurers	1,233	3,637
Net claims incurred (c)	(1,617)	(1,557)
Expenses for the acquisition of insurance contracts (d)	(500)	(437)
	-	-
Underwriting results (a+b+c+d)	836	789

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17. Investment income

	30-Sep 2012	RO '000 30-Sep 2011
Net unrealised (loss) / gains on investments at fair value through profit & loss*	32	(367)
Gain on disposal of investments	-	18
Exchange gain on investments at fair value through statement of Comprehensive income	(7)	(50)
Realised gain on sale of held for trading investment	(5)	-
Gain /(Loss) on sale of investmetn at fair value through profit & loss	-	48
Provision for impairment on investments	-	-
Dividend income	53	-
	73	(351)

* The losses primarily pertains to mark to market losses for our investments in India and Bahrain.

17 (a). Other income

	30-Sep 2012	RO '000 30-Sep 2011
Sitting fees	11	7
Interest income	45	61
Miscellaneous income	1	94
	57	162

Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

18. Related Party transaction

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

a) During the period related party transactions were as follows:

	30-Sep 2012	RO'000 30-Sep 2011
Transactions entered into by the Parent Company		
Remuneration and meeting attendance fees income	11	7
Directors Remuneration and sitting fees paid	13	7
Project management fees	-	-
	=====	=====

Transactions entered into by subsidiary company:

Falcon Insurance Company SAOC

Premium received	63	44
Claims paid	(1)	1
	=====	=====

b) Dues from related party and dues to related party were as follows:

	30-Sep 2012	30-Sep 2011	RO'000 31-Mar 2012
<i>Due from related parties (note 10)</i>			
ABI Precision Castings SAOC	4	4	4
Al Maha Ceramics SAOC	-	90	56
VE	-	-	275 *
Taageer	-	-	495 *
In the Books of subsidiary : Falcon Insurance Co. SAOC	59	201	162
	=====	=====	=====
	63	295	992

The amounts due to and due from related parties is interest free, unsecured and are repayable on demands.

* The amount represents dividend receivable from the related parties.

Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

19. Operating segments

Primary reporting format – business segments

The Group is organised in the Sultanate of Oman into three main business segments:

- a) Industrial segment, which is engaged in producing and distributing different industrial products such as printed packaging materials; and
- b) Investment segment, which is engaged in investment in projects and their management. Investment segment is the only business segment in the Parent Company, hence not been disclosed separately.
- c) After increasing the stake in Falcon Insurance, the group has added Insurance segment also w.e.f. 1st June, 2010, which is engaged in providing general, life and medical insurance in the Sultanate of Oman.

There are sales and other transactions between the business segments. Segment assets consist primarily of property, plant and equipment, inventories, receivables, operating cash, and investments. Segment liabilities comprise operating liabilities. Common costs are allocated between the segments on relevant bases such as time devoted, turnover and space occupied.

Financial information in respect of the segments are as follows: -

				RO '000
	Industrial Segment	Investment Segment	Insurance Segment	Total
30-Sep-12				
Total Revenue	-	1,117	836	1,953
Segment Results	-	520	383	903
30-Sep-11				
Total Revenue	5,592	511	789	6,892
Segment Results	259	190	77	372

Total assets for each segment which have changed significantly are as follows:

				RO '000
	Industrial Segment	Investment Segment	Insurance Segment	Total
30-Sep-12				
Total Assets	-	22,445	16,356	38,801
Total Liabilities	-	6,450	10,754	17,204
30-Sep-11				
Total Assets	10,911	19,680	13,369	43,960
Total Liabilities	8,860	6,196	7,186	22,242

Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

20. Contingent Liabilities and Commitments

	RO '000		
	30-Sep 2012	30-Sep 2011	31-Mar 2012
Guarantees:			
- Subsidiaries	-	-	-
- Associates	-	2,258	2,258
- Others*	239	-	239
	<u>239</u>	<u>2,258</u>	<u>2,497</u>
Letters of credit by subsidiary companies	-	1,807	-
	<u>239</u>	<u>4,065</u>	<u>2,497</u>

*Other guarantees includes guarantees given on behalf of erstwhile subsidiary.

There is no significant changes in commitments of the group during the period.

21. Comparative figures

Certain comparative information has been reclassified and re-stated to conform to the presentation adopted in these financial statements.

The previous year numbers are not comparable as the statement of income for the current year is after consolidation of Falcon Insurance Company SAOC which became subsidiary as on 31st May, 2010 and Sun Packaging cease to be subsidiary from 01st Oct'11.

22. Parent Company

The statement of Income for the quarter ended as on 30th June 2012 and the Statement of Financial Position as on 30th June 2012 are presented in the annexure.

AL ANWAR HOLDINGS SAOG

**Stand alone unaudited condensed interim statement of comprehensive income
of Parent Company For the period ended 30 September, 2012**

	(RO '000)	
	6 months ended 30-Sep 2012	6 months ended 30-Sep 2011
Investment income	(77)	(225)
Other Income	14	42
Total Income	(63)	(183)
General and administration expenses	(216)	(140)
Finance costs	(187)	(171)
Total Expenses	(403)	(311)
Profit for the period before tax	(466)	(494)
Income tax expense	-	-
Profit after tax for the period	(466)	(494)
Other comprehensive income	-	-
Total comprehensive income	(466)	(494)
Profit attributable to		
Equity holders of Parent Company	(466)	(494)
Minority interest	-	-
Profit after tax for the period	(466)	(494)
Total comprehensive income attributable to		
Equity holders of Parent Company	(466)	(494)
Minority interest	-	-
Total comprehensive income	(466)	(494)

AL ANWAR HOLDINGS SAOG

**Stand alone unaudited condensed statement of financial position
of the Parent Company as on 30 September, 2012**

	<u>Unaudited</u>		RO '000 <u>Audited</u>
	6 months ended 30-Sep 2012	6 months ended 30-Sep 2011	31-Mar 2012
ASSETS			
Cash and cash equivalents	6	13	6
Trade & other receivables	13	107	898
Investment held for trading	29	25	28
Investment available for sale	51	51	51
Investments at fair value through profit & loss	1,091	1,081	1,170
Investment in associates	12,159	10,154	12,159
Investment in subsidiary	4,474	5,365	4,474
Property, plant and equipment	40	10	35
Investment property	3,000	3,000	3,000
Total assets	20,863	19,806	21,821
EQUITY			
Capital and reserves			
Share capital	12,000	12,000	12,000
Legal reserve	1,508	1,436	1,508
Retained earnings	(142)	(838)	324
Equity attributable to the shareholders of Parent Company	13,366	12,598	13,832
LIABILITIES			
Other liabilities and accruals	1,308	1,282	1,233
Bank borrowing	195	83	487
Current portion of term loans	1,991	1,329	1,891
Long term loans	3,990	4,507	4,368
Provision for gratuity	13	7	10
Total liabilities	7,497	7,208	7,989
Total equity and liabilities	20,863	19,806	21,821