

Semac & Partners LLC

**Financial statements for the
year ended 31 March 2025**

Semac & Partners LLC

Financial statements for the year ended 31 March 2025

Contents	Page
Administration and contact details	1
Managers' report	2
Independent auditor's report	3 - 5
Statement of financial position	6
Statement of profit or loss and other comprehensive income	7
Statement of changes in shareholders' equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 26

Semac & Partners LLC

Administration and contact details as at 31 March 2025

Commercial registration number	1594788
VAT registration number	OM1100039862
Shareholders	Semac Consultants Limited, India IBN Khaldun Al Madaen Engineering Consultants LLC, Oman
Managers/ authorised signatories	Abhishek Dalmia Solomon Moses
Registered office	Post Box 3784 Postal code 112 Muscat Sultanate of Oman
Bankers	Bank Muscat SAOG Oman Arab Bank SAOG
Auditors	BDO LLC Suite No. 601 & 602 Pent House, Beach One Building Way No. 2601, Shatti Al Qurum PO Box 1176, Ruwi, PC 112 Muscat Sultanate of Oman

Semac & Partners LLC
Managers' report

The managers' submit their report and the audited financial statements for the year ended 31 March 2025.

Principal activities

The Company's principal activity is providing engineering and architectural consultancy services.

Basis of preparation of accounts

The accompanying financial statements have been prepared in accordance with IFRS Accounting Standards and the Commercial Companies Law and Regulations of the Sultanate Of Oman.

Results and appropriations

The results of the Company for the year ended 31 March 2025 are set out on page 7 of the financial statements.

Auditors

The financial statements have been audited by BDO LLC who offer themselves for re-appointment.

On behalf of Semac & Partners LLC



Abhishek Dalmia
Authorised signatory / manager



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEMAC & PARTNERS LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Semac & Partners LLC ("the Company"), which comprise the statement of financial position as at 31 March 2025, the statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to audits of the financial statements in the Sultanate of Oman. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Managers' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by IASB and the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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BDO is the brand name for the BDO International network and for each of the BDO shareholder firms.
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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SEMAC & PARTNERS LLC (CONTINUED)**

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SEMAC & PARTNERS LLC (CONTINUED)**

Report on Other Legal and Regulatory Requirements

We report that, the financial statements of the Company as at, and for the year ended 31 March 2025, in all material respects, comply with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman.

Muscat
26 May 2025



Semac & Partners LLC
Statement of financial position as at 31 March 2025
(Expressed in Omani Rials)

	Notes	31 March 2025	31 March 2024
ASSETS			
Non-current assets			
Furniture and equipment	6	1,448	643
Margin deposit	18	118,470	118,470
Total non-current assets		<u>119,918</u>	<u>119,113</u>
Current assets			
Trade and other receivables	8	479,734	552,034
Cash and bank balances	18	329,299	244,050
Total current assets		<u>809,033</u>	<u>796,084</u>
Total assets		<u><u>928,951</u></u>	<u><u>915,197</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	250,001	250,001
Legal reserve	11	83,667	83,667
Retained earnings		325,471	311,790
Total capital and reserves		<u>659,139</u>	<u>645,458</u>
Non-current liabilities			
Employees' benefit liabilities	12	61,092	68,349
Total non-current liabilities		<u>61,092</u>	<u>68,349</u>
Current liabilities			
Due to Parent Company	9	7,383	7,383
Trade and other payables	13	172,563	149,725
Income tax payable	19	28,774	44,282
Total current liabilities		<u>208,720</u>	<u>201,390</u>
Total liabilities		<u>269,812</u>	<u>269,739</u>
Total equity and liabilities		<u><u>928,951</u></u>	<u><u>915,197</u></u>

These financial statements, as set out on pages 6 to 26, were approved and authorised for issue by the shareholders on 26 MAY 2025 and were signed on their behalf by:



Abhishek Dalmia
 (Representing Semac Consultants Limited,
 India - Shareholder)



Semac & Partners LLC**Statement of profit or loss and other comprehensive income****for the year ended 31 March 2025****(Expressed in Omani Rials)**

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Revenue	14	811,058	1,022,520
Other income	15	32,676	29,423
		<u>843,734</u>	<u>1,051,943</u>
Expenses			
Salaries and other related staff costs	16	(635,017)	(711,940)
General and administrative expenses	17	(128,906)	(158,809)
Depreciation	6	(298)	(1,211)
Expected credit loss allowance on trade receivables	8	(54,675)	(90,521)
		<u>(818,896)</u>	<u>(962,481)</u>
Profit from operations		24,838	89,462
Income tax	19	(11,157)	(30,132)
Net profit and total comprehensive income for the year		<u>13,681</u>	<u>59,330</u>

Semac & Partners LLC**Statement of changes in shareholders' equity for the year ended 31 March 2025****(Expressed in Omani Rials)**

	<u>Share capital</u>	<u>Legal reserve</u>	<u>Retained earnings</u>	<u>Total</u>
At 31 March 2023	250,001	83,667	252,460	586,128
Net profit and total comprehensive income for the year	-	-	59,330	59,330
At 31 March 2024	<u>250,001</u>	<u>83,667</u>	<u>311,790</u>	<u>645,458</u>
Net profit and total comprehensive income for the year	-	-	13,681	13,681
At 31 March 2025	<u><u>250,001</u></u>	<u><u>83,667</u></u>	<u><u>325,471</u></u>	<u><u>659,139</u></u>

Semac & Partners LLC

Statement of cash flows for the year ended 31 March 2025

(Expressed in Omani Rials)

		Year ended 31 March 2025	Year ended 31 March 2024
	Notes		
Operating activities			
Profit before tax for the year		24,838	89,462
Adjustments for:			
Depreciation on furniture and equipment	6	298	1,211
Expected credit loss allowance on trade receivables	8	54,675	90,521
Gain on sale of furniture and equipment	15	(3,500)	(1,000)
Accrual of employees' benefit liabilities	12	4,109	11,458
		<u>80,420</u>	<u>191,652</u>
Trade and other receivables		17,625	(33,774)
Trade and other payables		<u>22,838</u>	<u>(22,921)</u>
Cash flows generated from operating activities		<u>120,883</u>	<u>134,957</u>
Income tax paid	19	(26,665)	(20,096)
Employees' benefit liabilities paid	12	<u>(11,366)</u>	<u>(13,414)</u>
Net cash flows generated from operating activities		<u>82,852</u>	<u>101,447</u>
Investing activities			
Purchase of furniture and equipment	6	(1,103)	-
Proceeds from sale of furniture and equipment	15	3,500	1,000
Margin money deposits matured	18	-	3,498
Net cash from investing activities		<u>2,397</u>	<u>4,498</u>
Net change in cash and cash equivalents		<u>85,249</u>	<u>105,945</u>
Cash and cash equivalents, beginning of year		<u>244,050</u>	<u>138,105</u>
Cash and cash equivalents, end of year	18	<u><u>329,299</u></u>	<u><u>244,050</u></u>

Semac & Partners LLC

Notes to the financial statements for the year ended 31 March 2025

(Expressed in Omani Rial)

1 Legal status and principal activities

Semac & Partners LLC ("the Company") is a limited liability company registered with the Ministry of Commerce, Industry and Investment Promotion in accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman. The Company's principal activity is providing engineering and architectural consultancy services. The Company is a subsidiary of Semac Consultants Limited, incorporated in India (the Parent Company) which is also the Ultimate Parent Company.

The Company's principal place of business is located at Ruwi, Muscat, Sultanate of Oman.

These financial statements were approved for issue by the shareholders on 26 May 2025 .

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the applicable provisions of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention and going concern assumption. The preparation of financial statements is in conformity with IFRS Accounting Standards that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

(c) Functional currency

The financial statements are presented in Rial Omani (RO) which is the Company's functional and reporting currency.

3 Changes in accounting policies

(i) Standards, amendments and interpretations effective and adopted in the period 2024 - 25

The following new standards, amendment to existing standards or interpretations to various IFRS Accounting Standards are mandatorily effective for the reporting period beginning on or after 1 January 2024:

Standard or Interpretation	Title
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-Current Liabilities with Covenants
Amendments to IAS 7	Statement of Cash Flows: Supplier Finance Arrangements
Amendments to IFRS 7	Financial Instruments: Disclosures: Supplier Finance Arrangements

IFRS 16: Lease Liability in a Sale and Leaseback

On 22 September 2022, the IASB issued amendments to IFRS 16 - Lease Liability in a Sale and Leaseback.

Prior to the amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the financial statements of the Company.

3 Changes in accounting policies (continued)**(i) Standards, amendments and interpretations effective and adopted in the period 2024 - 25****Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants**

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the financial statements of the Company.

Amendments to IAS 7 & IFRS 7: Supplier Finance Arrangements

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The Company has carried out an assessment of its contracts and operations and, concluded that, these amendments have had no effect on the financial statements.

(b) Standards, amendments and interpretations issued but not yet effective

The following new/amended accounting standards and interpretations have been issued by IASB that are effective in future accounting periods and the Company has decided not to adopt early:

Standard or Interpretation	Title	Effective for annual periods beginning on
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Company does not expect these amendments and standards issued but not yet effective, to have a material impact on the financial statements of the Company, except for IFRS 18.

3 Changes in accounting policies (continued)

(b) Standards, amendments and interpretations issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 Material accounting policy information

A summary of the material accounting policies adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Furniture and equipment

Furniture and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over its useful economic life.

Depreciation has been calculated at the following rates:

Description	% per annum
Office equipment	15
Motor vehicles	33.33
Furniture and fixtures	33.33

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit or loss. Depreciation rates and estimated useful lives are reassessed at each reporting date.

Repairs and renewals are charged to profit or loss when the expenditure is incurred.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(b) Intangible assets

Intangible assets, which represent computer software license fee, are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives which is not expected to exceed 3 years. The carrying amount of the intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

4 Material accounting policy information (continued)

(c) Financial instruments

[A] Financial assets

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

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

(i) Classification

The financial assets are classified in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- b) those to be measured at amortised cost.

For assets measured at fair value, gains and losses are recorded in profit and loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies debt instruments at amortised cost based on the below:

- a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR).

4 Material accounting policy information (continued)

(c) Financial instruments (continued)

[A] Financial assets (continued)

(iii) De-recognition of financial assets

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

(iv) Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets.

ECL are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 months ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represents the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that results from all possible default events over the expected life of the financial asset.

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

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

(v) Income recognition

Interest income

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

4 Material accounting policy information (continued)

(c) Financial instruments (continued)

[B] Financial liabilities

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

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

(i) Classification

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss; and
- b) those to be measured at amortised cost.

(ii) Measurement

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering the directly attributable transaction costs. The Company classifies all financial liabilities as subsequently measured at amortised cost.

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

(iii) Derecognition of financial liabilities

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

(d) Impairment of non-financial assets

The carrying amount of the Company's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

(e) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances.

4 Material accounting policy information (continued)

(f) Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

(g) Employees' benefit liabilities

In respect of Omani employees, contributions are made in accordance with the Oman Social Insurance Law and recognised as an expense in profit or loss as incurred.

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the statement of financial position date. This provision is classified as a non-current liability.

Employee entitlements to annual leave and air passage are recognised when they accrue to the employees and an accrual is made for the estimated liability for annual leave and air passage as a result of services up to the reporting date. The accruals relating to annual leave and air passage is disclosed as a part of current liabilities.

(h) Revenue recognition

The Company provides engineering and architectural consultancy services to the customers. Revenue from contracts with customers are recognised in accordance with IFRS 15 over a period of time using the milestone approach under the output method. If the consideration promised in a contract includes a variable amount, then the Company estimates the amount of consideration to which it expects to be entitled. Consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items.

Contract modifications are accounted when these are approved. Approved modifications, where a change in price has not been agreed, are accounted as variable consideration. Revenue from claims is accounted as variable consideration only when it is highly probable that revenue will not reverse in future.

The Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

(i) Dividend distribution

Dividend is recognised as a liability in the financial statements in the year in which the dividends are approved by the shareholders.

(j) Other income

Other income is accounted for on the accruals basis, unless collectability is in doubt.

(k) Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date when the carrying value was determined.

4 Material accounting policy information (continued)

(l) Income tax

Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

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

Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the statement of financial position date.

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

(m) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(n) Leases - the Company as a lessee

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, consistent with accounting policy of previous year for all operating leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

5 Critical accounting estimates and key source of estimation uncertainty

Preparation of financial statements in accordance with IFRS Accounting Standards requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

(i) Economic useful lives of furniture and equipment

The Company's furniture and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of furniture and equipment are reviewed periodically by management. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

5 Critical accounting estimates and key source of estimation uncertainty

(ii) Impairment losses on trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate impairment allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the trade receivable balances and historical experience adjusted appropriately for the future expectations. Individual trade receivables are written-off when management deems them not to be collectible.

(iii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(iv) Going concern

The management of the Company reviews the financial position of the Company on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the shareholders of the Company ensure that they provide adequate financial support to fund the requirements of the Company to ensure the going concern status of the Company.

(v) Taxation

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 the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses 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.

Semac & Partners LLC

Notes to the financial statements for the year ended 31 March 2025

(Expressed in Omani Rial)

6 Furniture and equipment

a) The movement in furniture and equipment is as set out below:

2024-25	Motor vehicles	Furniture and fixtures	Office equipment	Total
Cost				
At 31 March 2024	182,121	25,626	55,157	262,904
Additions during the year	-	-	1,103	1,103
Disposals during the year	(15,705)	-	-	(15,705)
At 31 March 2025	166,416	25,626	56,260	248,302
Accumulated depreciation				
At 31 March 2024	182,121	25,395	54,745	262,261
Charge for the year	-	231	67	298
Relating to disposals	(15,705)	-	-	(15,705)
At 31 March 2025	166,416	25,626	54,812	246,854
Net book amount				
At 31 March 2025	-	-	1,448	1,448
2023-24	Motor vehicles	Furniture and fixtures	Office equipment	Total
Cost				
At 31 March 2023	193,171	25,626	55,157	273,954
Disposals during the year	(11,050)	-	-	(11,050)
At 31 March 2024	182,121	25,626	55,157	262,904
Accumulated depreciation				
At 31 March 2023	193,171	24,235	54,694	272,100
Charge for the year	-	1,160	51	1,211
Relating to disposals	(11,050)	-	-	(11,050)
At 31 March 2024	182,121	25,395	54,745	262,261
Net book amount				
At 31 March 2024	-	231	412	643

- (b) The Company operates from premises leased from third parties at annual rent of RO 19,017 (31 March 2024: RO 16,793) per annum. At the beginning of the year and at the reporting date, the lease contract is for the period of less than a year. Hence, the Company has applied exemption available in the IFRS 16 relating to short-term leases. Additionally, the Company has short-term lease contracts for employee accommodations.

Semac & Partners LLC

Notes to the financial statements for the year ended 31 March 2025

(Expressed in Omani Rial)

7 Intangible assets	Computer software	Total
2024-25		
Cost		
At 31 March 2024 and at 31 March 2025	26,496	26,496
Accumulated amortisation		
At 31 March 2024 and at 31 March 2025	26,496	26,496
Net book amount		
At 31 March 2025	-	-
2023-24	Computer software	Total
Cost		
At 31 March 2023 and at 31 March 2024	26,496	26,496
Accumulated amortisation		
At 31 March 2023 and at 31 March 2024	26,496	26,496
Net book amount		
At 31 March 2024	-	-
8 Trade and other receivables	31 March 2025	31 March 2024
Trade receivables (gross)	739,435	745,156
Less: loss allowance	(275,057)	(220,382)
Trade receivables (net)	464,378	524,774
Prepaid expenses	12,416	15,933
Advance to suppliers	21	10,125
Other advances	2,919	1,202
	479,734	552,034

- (a) Trade receivables are generally on 60 to 90 days credit terms.
- (b) The carrying amounts of the Company's trade receivables are denominated in Omani Rials.
- (c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.
- (d) The Company applies the IFRS 9 simplified approach to measure loss allowance using a lifetime ECL allowance on trade receivables. To measure ECL on a collective basis, trade receivables are grouped based on similar credit risk and aging. The ECL rates are based on the Company's historical credit losses. The historical losses are then adjusted for the current and forward-looking information on macro-economic factors affecting the Company's customers.

Semac & Partners LLC**Notes to the financial statements for the year ended 31 March 2025****(Expressed in Omani Rial)****8 Trade and other receivables (continued)**

At 31 March 2025, the ageing analysis and lifetime ECL allowance on trade receivables is as follows:

	Upto 180 days	180 days to 365 days	More than 365 days	Total
Gross carrying amount	183,360	51,259	504,816	739,435
Loss allowance	<u>25,248</u>	<u>22,544</u>	<u>227,265</u>	<u>275,057</u>

At 31 March 2024, the ageing analysis and lifetime ECL allowance on trade receivables is as follows:

	Upto 180 days	180 days to 365 days	More than 365 days	Total
Gross carrying amount	209,451	48,648	487,057	745,156
Loss allowance	<u>1,801</u>	<u>6,249</u>	<u>212,332</u>	<u>220,382</u>

The movement in loss allowance is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Opening balance	220,382	129,861
Charge for the year	<u>54,675</u>	<u>90,521</u>
Closing balance	<u><u>275,057</u></u>	<u><u>220,382</u></u>

The creation and release of loss allowance for impaired trade receivables have been included in profit or loss. Amounts charged to the provision account are generally written-off, when there are no expectation of recovering additional cash.

9 Related party transactions and balances

The Company, in the ordinary course of business, deals with entities, which fall within the definition of "related parties" as contained in International Accounting Standard 24. The terms of these transactions are mutually agreed and approved by the shareholders. The balances due to related parties have been disclosed separately in the statement of financial position.

a) Due to Parent Company	31 March 2025	31 March 2024
Semac Consultants Limited, India	<u>7,383</u>	<u>7,383</u>

Amounts due to Parent Company is unsecured, have no fixed repayment terms and arise in the ordinary course of business.

10 Share capital

The share capital, registered with the Ministry of Commerce Industry and Investment Promotion, is RO 250,001 (2024: RO 250,001), comprising of 250,001 shares of RO 1 each (2024: 250,001 shares of RO 1 each).

A break down of the shareholding pattern as at 31 March 2025 and 2024 is as follows:

Name of the Shareholders	Percentage shareholding	Amount
Semac Consultants Limited, India	65%	162,501
IBN Khaldun Al Madaen Engineering Consultants LLC, Oman	<u>35%</u>	<u>87,500</u>
	<u><u>100%</u></u>	<u><u>250,001</u></u>

Semac & Partners LLC

Notes to the financial statements for the year ended 31 March 2025

(Expressed in Omani Rial)

11 Legal reserve

In accordance with the provisions of the CCL, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the share capital is set aside.

12 Employees' benefit liabilities

	Year ended 31 March 2025	Year ended 31 March 2024
Opening balance	68,349	70,305
Charge for the year (Note 16)	4,109	11,458
Payments during the year	(11,366)	(13,414)
Closing balance	<u>61,092</u>	<u>68,349</u>

13 Trade and other payables

	31 March 2025	31 March 2024
Accrued expenses	136,365	120,940
Advance from customers	21,494	18,597
Trade payables	4,460	2,317
Other payables	3,660	1,911
Value-Added-Tax (VAT) payable, net	6,584	5,960
	<u>172,563</u>	<u>149,725</u>

Payables are generally settled within 60 to 90 days of the suppliers' invoice date.

14 Revenue

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue recognised over a period-of-time in the Sultanate of Oman:		
Revenue from engineering and architectural consulting services	<u>811,058</u>	<u>1,022,520</u>

15 Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Tender management fees	20,024	25,852
Gain on sale of furniture and equipment	3,500	1,000
Excess provision written-back	6,589	-
Miscellaneous income	2,563	2,571
	<u>32,676</u>	<u>29,423</u>

16 Salaries and other related staff costs

	Year ended 31 March 2025	Year ended 31 March 2024
Staff salaries	546,433	639,443
Other related staff costs	84,475	61,039
Provision for employees' benefits liabilities (Note 12)	4,109	11,458
	<u>635,017</u>	<u>711,940</u>

Semac & Partners LLC

Notes to the financial statements for the year ended 31 March 2025

(Expressed in Omani Rial)

17 General and administrative expenses	Year ended 31 March 2025	Year ended 31 March 2024
Short term lease rentals	21,757	21,988
Professional fees	17,204	16,689
Insurance	32,029	33,369
Vehicle expenses	14,720	21,370
Repairs and maintenance	8,208	8,942
Office expenses	15,303	18,754
Postage and telephone	4,911	21,670
Government fees	4,199	1,736
Printing and stationery	3,977	4,212
Travelling and conveyance	2,520	1,778
Electricity and water	1,015	5,352
Bank guarantee commission charges	2,660	1,545
Bank charges	238	255
Subscription fees	115	1,130
Miscellaneous expense	50	19
	<u>128,906</u>	<u>158,809</u>

18 Cash and bank balances	31 March 2025	31 March 2024
For the purposes of the statement of cash flows, cash and bank balances comprise the following:		
Cash on hand	4,307	4,022
Current account balances with banks	324,992	240,028
Cash and cash equivalents	<u>329,299</u>	<u>244,050</u>
Margin money deposits	118,470	118,470
	<u>447,769</u>	<u>362,520</u>

The current account balances with banks are non-interest bearing.

Margin deposits are pledged with the banks against the guarantees issued to the Company's customers (Note 23). These projects are not expected to be completed within 12 months from the date of the financial position and accordingly, reflected under non-current assets.

19 Income tax

- (a) Provision for income tax amounting to RO 11,157 (2024: RO 30,132) has been made after giving due consideration to adjustments for potential allowances and disallowances. Income tax assessment is completed up to the year 2021. The management considers that the amount of additional taxes, if any, that may become payable in relation to the tax years for which assessments that are pending would not be material to the Company's financial position as at 31 March 2025.

(b) Income tax expense	Year ended 31 March 2025	Year ended 31 March 2024
Current tax:		
- Current year	11,157	26,665
- Prior years	-	3,467
	<u>11,157</u>	<u>30,132</u>

Semac & Partners LLC**Notes to the financial statements for the year ended 31 March 2025****(Expressed in Omani Rial)****19 Income tax (continued)**

(c) Income tax payable reported in the statement of financial position is as follows:

	31 March 2025	31 March 2024
Opening balance	44,282	34,246
Add: provision for the current year	11,157	26,665
Add: provision for prior year tax	-	3,467
Less: payments during the year	(26,665)	(20,096)
Closing balance	<u>28,774</u>	<u>44,282</u>

(d) The reconciliation of tax on the accounting profit at the applicable rate of 15% (2024 - 15%) with the taxation charge in the financial statements is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit	24,838	89,462
Tax charge on accounting profit	3,726	13,419
Add/(less) tax effect of:		
Disallowed expenses	90	350
Deferred tax not recognised	7,341	12,896
Prior years	-	3,467
Tax charge in profit or loss	<u>11,157</u>	<u>30,132</u>

The Company has not recognised deferred tax asset of RO 42,195 (2024: RO 34,854) due to uncertainty on allowability of impaired trade receivables written-off from ECL as tax deductible in future of RO 41,259 (2024: 33,057) and remaining amount of RO 936 (2024: RO 1,797) is not material to the financial statements.

20 Capital risk management

The capital is managed by the Company in a way that it is able to continue to operate as a going concern while maximising returns to shareholders.

The capital of the Company consists of share capital, retained earnings and reserves. The Company manages its capital by making adjustments in bringing additional capital in light of changes in business conditions.

21 Financial assets and liabilities and risk management**(a) Financial assets and liabilities**

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, trade and other receivables, due to Parent Company, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(b) Risk management

Risk management is carried out by the Finance Department under policies approved by the shareholders. The Finance Department identifies, evaluates and hedges financial risks in close co-operation with the shareholders. The Company provides principles for overall risk management, as well as policies covering specific areas.

21 Financial assets and liabilities and risk management (continued)

(c) Capital management

The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 March 2025 and 31 March 2024.

In addition, the Company's activities expose it to a variety of financial risks: market risk (including currency rate risk, interest rate risk and price risk), credit risk and liquidity risk.

(d) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The majority of the Company's financial assets and financial liabilities are either denominated in RO or currencies pegged against the U.S. Dollars. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weaken or strengthen against the RO with all other variables held constant.

Management considers that sensitivity analysis is not necessary due to the Company's limited exposure to foreign exchange risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Company is not exposed to interest rate risk as the Company has not borrowed any funds at commercial interest rates.

(iii) Price risk

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

The Company does not have any investments and is, therefore, not exposed to price risk.

(e) Credit risk

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

The Company is potentially exposed to credit risk principally on its trade receivables and bank balances. The bank balances are held with national banks with good credit ratings. The credit risk on trade receivables is subject to credit evaluations and provision is made for estimated irrecoverable amounts. The Company is not exposed to any significant concentration of credit risk due to its large number of customers.

Semac & Partners LLC**Notes to the financial statements for the year ended 31 March 2025****(Expressed in Omani Rial)****21 Financial assets and liabilities and risk management (continued)****(f) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available, including unutilised credit facilities with funds, to meet any future commitments. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

Financial liabilities as at 31 March 2025	Total	Less than a year
Due to Parent Company	7,383	7,383
Trade and other payables	172,563	172,563
	<u>179,946</u>	<u>179,946</u>
Financial liabilities as at 31 March 2024	Total	Less than a year
Due to Parent Company	7,383	7,383
Trade and other payables	149,725	149,725
	<u>157,108</u>	<u>157,108</u>

22 Fair values of financial instruments

Financial instruments consist of financial assets and liabilities. Financial assets and liabilities carried on the statement of financial position include cash and bank balances, margin deposits, trade and other receivables, due to Parent Company, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Company's financial assets and liabilities are not materially different from their carrying amounts.

23 Contingent liabilities	31 March 2025	31 March 2024
Performance bonds	98,870	98,870
	<u>98,870</u>	<u>98,870</u>

24 Comparative figures

Certain comparative figures have been regrouped or reclassified, wherever necessary, so that they conform to those of the current year. Such regroupings or reclassifications do not affect previously reported net profit or shareholders' equity.

25 Subsequent events

There were no events occurring subsequent to 31 March 2025 and before the date of the approval that are expected to have a significant impact on these financial statements.