**1 Legal status and principal activities**

Dhofar Insurance Company SAOG (the Company) is a joint stock company registered under the Commercial Companies Law of Oman and is engaged in the business of insurance (general and life) within the Sultanate of Oman.

**2 Significant accounting policies**

***(a)*** *Basis of preparation*

These unaudited condensed financial statements have been prepared under the going concern and historical cost basis, except for the measurement at fair value of available for sale investments, investments at fair value through profit or loss (held for trading) and investment properties to the extent required or permitted under IFRS as set out in the relevant accounting policies.

(i) *Statement of compliance*

These unaudited condensed financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, interpretations issued by the International Financial Reporting Interpretations Committee, the applicable provisions of the Commercial Companies Law 1974, as amemded, of the Sultanate of Oman, the Insurance Companies Law 1979 and the Rules and Guidelines on disclosures issued by the Capital Market Authority.

(ii) *Interim financial reporting*

The Company has elected to publish condensed set of financial statements as its interim financial statements under IAS 34. Recognition and measurement guidance of IAS 34 applies also to complete financial statements for an interim period, and these interim financial statements include all of the disclosures required by IAS 34 as well as those required by other IFRS.

These financial statements are prepared in accordance with IAS 34 'Interim Financial Reporting.

(iii) *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed under outstanding claims, impairment of available for sale investments and impairment of receivables.

(iv) *Seasonality of operations*

The nature of the Company's business is such that substantial volume of insurance policy renewals and new policies occur in the first half of the year.

**3 Property and equipments**

| | Freehold land | Buildings on freehold land | Office furniture and equipment | Motor vehicles | House hold furniture | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 January 2021 | **260,000** | **840,000** | **3,643,944** | **98,875** | **325,706** | **5,168,525** |
| Additions during the period | **-** | **-** | **66,976** | **-** | **-** | **66,976** |
| Disposals | **-** | **-** | **-** | **-** | **-** | **-** |
| At 31 Mar 2021 | **260,000** | **840,000** | **3,710,920** | **98,875** | **325,706** | **5,235,501** |
| **Accumulated depreciation** | | | | | | |
| At 1 January 2021 | **-** | **196,000** | **3,524,177** | **98,875** | **325,706** | **4,144,758** |
| Depreciation charged | **-** | **8,400** | **27,517** | **-** | **-** | **35,917** |
| On disposals | **-** | **-** | **-** | **-** | **-** | **-** |
| At 31 Mar 2021 | **-** | **204,400** | **3,551,694** | **98,875** | **325,706** | **4,180,675** |
| **Net book amount** | | | | | | |
| At 31 Mar 2021 | **260,000** | **635,600** | **159,226** | **-** | **-** | **1,054,827** |

| | Freehold land | Buildings on freehold land | Office furniture and equipment | Motor vehicles | House hold furniture | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 January 2020 | 260,000 | 840,000 | 3,589,139 | 98,875 | 325,706 | 5,113,720 |
| Additions during the period | - | - | 970 | - | - | 970 |
| Disposals | - | - | - | - | - | - |
| At 31 Mar 2020 | 260,000 | 840,000 | 3,590,109 | 98,875 | 325,706 | 5,114,690 |
| **Accumulated depreciation** | | | | | | |
| At 1 January 2020 | - | 162,400 | 3,427,815 | 98,875 | 325,706 | 4,014,796 |
| Depreciation charged | - | 8,400 | 22,671 | - | - | 31,071 |
| On disposals | - | - | - | - | - | - |
| At 31 Mar 2020 | - | 170,800 | 3,450,486 | 98,875 | 325,706 | 4,045,867 |
| **Net book amount** | | | | | | |
| At 31 Mar 2020 | 260,000 | 669,200 | 139,623 | - | - | 1,068,823 |
| At 31 December 2020 | 260,000 | 644,000 | 119,767 | - | - | 1,023,767 |

**4 Investment properties**

| | **Unaudited 31 Mar 21** | Unaudited 31 Mar 20 | Audited 31 Dec 20 |
|---|---|---|---|
| As at 1 January | **7,675,001** | 8,025,000 | 8,025,000 |
| Changes in fair value during the period through profir & loss | **-** | - | (300,000) |
| Changes in fair value during the period through Comprehensive income | **-** | | (50,000) |
| Prior year adjustmentrs | **-** | | - |
| At 31 Mar | **7,675,001** | 8,025,000 | 7,675,000 |

Investment properties, comprising real estate investments, are under lien to the Capital Market Authority. The carrying amount of the investment properties is the aggregate fair value as determined by an independent value. Fair value was determined as being the most probable price the property can fetch in a competitive open market. In July 2020, the Company obtained a valuation of its investment properties from an independent valuer, which indicated that the fair values of the investment properties fairly represented their market values.

**5 Investments**

| | **Unaudited 31 Mar 21** | Unaudited 31 Mar 20 | Audited 31 Dec 20 |
|---|---|---|---|
| Available-for-sale investments (Note 5a) | **4,241,566** | 3,857,466 | 3,731,688 |
| Investment in equity accounted investees (Note 5b) | **2,821,094** | 2,774,527 | 2,821,094 |
| Held-to-maturity investments (Note 5d) | **9,635,815** | 9,744,098 | 8,538,458 |
| Total non-trading investments | **16,698,475** | 16,376,091 | 15,091,240 |
| Held-for-trading investments (Note 5c) | **569,109** | 302,126 | 269,160 |
| Investment in Money Market Funds (Note 5e) | **3,547,874** | 2,400,000 | 5,260,963 |
| Total investments | **20,815,458** | 19,078,217 | 20,621,363 |

**5A Available for sale investments :**

| **Quoted equity investments:** | **Unaudited** | Unaudited | Audited |
|---|---|---|---|
| **Local quoted equity investments:** | **31 Mar 21** | 31 Mar 20 | 31 Dec 20 |
| Service sector | **528,373** | 557,054 | 562,174 |
| Investment sector | **1,110,158** | 584,801 | 568,996 |
| | **1,638,531** | 1,141,855 | 1,131,170 |
| **Foreign quoted equity investments:** | | | |
| Insurance sector | **30,436** | 22,357 | 27,919 |
| | **30,436** | 22,357 | 27,919 |
| **Unquoted investments:** | | | |
| Unquoted investments | **2,572,599** | 2,693,254 | 2,572,599 |
| | **2,572,599** | 2,693,254 | 2,572,599 |
| | **4,241,566** | 3,857,466 | 3,731,688 |

**5B Investment in equity accounted investees :**

The Company has the following investment in associate:

| | **Number of shares** | **Percentage of issued share** | **Unaudited 31 Mar 21** |
|---|---|---|---|
| Oman Vegetable Oils & Derivatives Co. LLC (OVOD) | **2,500,000** | **38.46%** | **2,821,094** |
| | | | **2,821,094** |

| | Number of shares | Percentage of issued share capital | Unadited 31 Mar 20 |
|---|---|---|---|
| Oman Vegetable Oils & Derivatives Co. LLC (OVOD) | 2,500,000 | 38.46% | 2,774,527 |
| | | | 2,774,527 |

| | Number of shares | Percentage of issued share capital | Audited 31 Dec 20 |
|---|---|---|---|
| Oman Vegetable Oils & Derivatives Co. LLC (OVOD) | 2,500,000 | 38.46% | 2,821,094 |
| | | | 2,821,094 |

**5 Investments (continued)**

**5C Held-for-trading investments**

| *Quoted local investments:* | **Unaudited 31 Mar 21 Market value** | **Cost** | Unaudited 31 Mar 20 Market value | Cost | Audited 31 Dec 20 Market value | Cost |
|---|---|---|---|---|---|---|
| Banking sector | **-** | **-** | - | - | - | - |
| Service sector | **129,946** | **326,038** | 169,765 | 326,038 | 146,735 | 326,038 |
| Investment sector | **20,874** | **116,715** | 20,766 | 116,715 | 20,247 | 116,715 |
| Others | **418,288** | **422,318** | 111,595 | 73,259 | 102,178 | 73,259 |
| | **569,109** | **865,071** | 302,126 | 516,012 | 269,160 | 516,012 |

**5D Held-to-maturity investments**

Held-to-maturity investments comprise of the following:

| | **Unaudited 31 Mar 21** | | Unaudited 31 Mar 20 | | Audited 31 Dec 20 | |
|---|---|---|---|---|---|---|
| | **Amortized cost** | **Cost** | Amortized cost | Cost | Amortized cost | Cost |
| Bank Sohar Perpetual Bonds | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Sultanate of Oman Government Development Bonds | 4,038,458 | 4,067,300 | 4,048,072 | 4,067,300 | 4,038,458 | 4,067,300 |
| Bank Dhofar Prepetual Bonds | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| DIDIC Non Convertible Bond | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| USD Bonds | 1,097,357 | 1,097,357 | 1,196,026 | 1,196,026 | - | - |
| | **9,635,815** | **9,664,657** | 9,744,098 | 9,763,326 | 8,538,458 | 8,567,300 |

**5E Investment in money market funds**

| | **31 Mar 21** | 31 Dec 20 |
|---|---|---|
| As at 1 January | 5,260,963 | - |
| Additions during the year | 1,724,333 | 10,093,302 |
| Sales during the year | (3,403,032) | (4,939,883) |
| Changes in fair value for the year | (34,390) | 107,544 |
| As at 31 December | **3,547,874** | 5,260,963 |

During the year, the Company has invested in money market funds (MMF) offered by Bank Muscat. It is a liquid fund with no maturity and fixed interest rate. Fair value model is being used for MMF to incorporate the mark-to-market with changes in value taken to profit or loss account.

**6 Bank deposits, bank balances, cash and bank loan**

**6A Bank deposits (non-current assets)**

| | **Unaudited 31 Mar 21** | Unaudited 31 Mar 20 | Audited 31 Dec 20 |
|---|---|---|---|
| Bank deposits with a maturity of greater than twelve months from the | **27,619,314** | 27,619,314 | 27,619,314 |

The bank deposits carry interest rates ranging between 1.20% per annum and 4.85% per annum (31st March, 2020: between 1.2% per annum and 4.85% per annum).

**6B Bank deposits and cash (current ass**

| | **Unaudited 31 Mar 21** | Unaudited 31 Mar 20 | Audited 31 Dec 20 |
|---|---|---|---|
| Cash and cash equivalents | **6,870,369** | 7,720,060 | 8,760,756 |
| Short term deposits | **150,000** | 12,028,200 | 1,150,000 |
| | **7,020,369** | 19,748,260 | 9,910,756 |

| **7 Insurance and reinsurance contract receivables** | **Unaudited 31 Mar 21** | Unaudited 31 Mar 20 | Audited 31 Dec 20 |
|---|---|---|---|
| Premiums receivable | **12,801,817** | 8,218,229 | 9,293,664 |
| Premiums receivable from related parties (Note 16B) | **311,162** | 295,496 | 997,427 |
| Reinsurance balance receivable | **5,620,220** | 1,318,162 | 2,362,763 |
| Provision for impaired premiums receivables | **(1,751,087)** | (1,529,952) | (1,711,087) |
| Provision for impaired reinsurance receivables | **(590,817)** | (583,952) | (590,817) |
| | **16,391,295** | 7,717,983 | 10,351,950 |

| **8 Share capital** | **Unaudited 31 Mar 21** | Unaudited 31 Mar 20 | Audited 31 Dec 20 |
|---|---|---|---|
| Authorised 100,000,000 ordinary shares of RO 0.100 each (2020: 100,000,000 ordinary shares of RO 0.100 each) | **10,000,000** | 10,000,000 | 10,000,000 |
| Issued and fully paid-up 100,000,000 ordinary shares of RO 0.100 each | **10,000,000** | 10,000,000 | 10,000,000 |

*Significant shareholdings:*
Shareholders of the Company who own 10% or more of the Company's shares, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

| | **Unaudited 31 Mar 21** | | Unaudited 31 Mar 20 | | Audited 31 Dec 20 | |
|---|---|---|---|---|---|---|
| | **% of Holding** | **Number of shares** | % of Holding | Number of shares | % of Holding | Number of shares |
| Dhofar International Development and Investment Company SAOG | **36.59** | **36,592,904** | 36.59 | 36,592,904 | 36.60 | 36,592,904 |
| H.E.Abdul Alem Mustahil Rakhyoot | **15.06** | **15,062,797** | 15.06 | 15,062,797 | 15.10 | 15,062,797 |

**9 Contingency reserve**

Since the contingency reserve of the Company has reached the maximum limit of RO 10,000,000, which is equivalent to the paid up capital of RO10,000,000, during this quarter, the Company has not transferred any amount to contingency reserve.

**10 Insurance funds**

The carrying amounts of the Company's insurance funds at 31 March were as follows:

| | Unaudited 31 Mar 2021 | | | Unaudited 31 Mar 2020 | | | Audited 31 December 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| (a) **General** | **Gross** | **Reinsurers' share** | **Net** | **Gross** | **Reinsurers' share** | **Net** | **Gross** | **Reinsurers' share** | **Net** |
| Claims outstanding | **39,197,554** | **(30,218,725)** | **8,978,829** | 41,461,598 | (30,873,886) | 10,587,712 | 43,103,060 | (33,390,118) | 9,712,942 |
| Claims incurred but not reported | **9,612,188** | **(2,915,909)** | **6,696,279** | 9,919,639 | (2,235,648) | 7,683,991 | 10,634,817 | (3,159,980) | 7,474,837 |
| Additional reserve | **-** | **-** | **-** | - | - | - | - | - | - |
| Unearned premiums | **24,590,058** | **(13,337,102)** | **11,252,956** | 23,068,916 | (12,680,797) | 10,388,119 | 21,923,410 | (12,512,908) | 9,410,502 |
| | **73,399,800** | **(46,471,736)** | **26,928,064** | 74,450,153 | (45,790,331) | 28,659,822 | 75,661,287 | (49,063,006) | 26,598,281 |
| (b) **Life** | | | | | | | | | |
| Claims outstanding | **2,340,464** | **(1,938,147)** | **402,317** | 1,925,565 | (1,650,578) | 274,987 | 3,181,769 | (2,562,382) | 619,387 |
| Claims incurred but not reported | **760,687** | **(422,409)** | **338,278** | 1,137,128 | (763,411) | 373,717 | 844,698 | (540,342) | 304,356 |
| Additional reserve | **-** | **-** | | - | - | - | - | - | - |
| Unearned premiums reserve | **1,808,607** | **(1,186,229)** | **622,378** | 1,268,026 | (1,010,869) | 257,157 | 1,730,685 | (1,206,954) | 523,731 |
| | **4,909,758** | **(3,546,785)** | **1,362,973** | 4,330,719 | (3,424,858) | 905,861 | 5,757,152 | (4,309,678) | 1,447,474 |
| **Total insurance funds** | **78,309,558** | **(50,018,521)** | **28,291,037** | 78,780,872 | (49,215,189) | 29,565,683 | 81,418,439 | (53,372,684) | 28,045,755 |

**11 Net assets per share**

The calculation of net assets per share is based on net assets of RO 25,421,555/- (31 March 2020 : RO 22,976,872/- and RO 25,536,589/- as at 31 December 2020) attributable to ordinary shareholder on 100,000,000 ordinary shares being the number of ordinary share outstanding as at 31 March 2021 ( 100,000,000 ordinary shares on 31 March 2020 and 100,000,000 ordinary shares on 31 December 2020 )

## 12 Net underwriting results

| | Unaudited period ended 31 Mar 2021 | | | Unaudited period ended 31 Mar 2020 | | |
|---|---|---|---|---|---|---|
| | **General business** | **Life** | **Total** | **General business** | **Life** | **Total** |
| **Revenue** | | | | | | |
| Gross premium written | **13,967,793** | **2,081,924** | **16,049,717** | 11,411,424 | 1,987,818 | 13,399,242 |
| Reinsurance premium ceded | **(7,698,751)** | **(1,020,669)** | **(8,719,420)** | (5,860,124) | (1,186,855) | (7,046,979) |
| **Net retained premium** | **6,269,042** | **1,061,255** | **7,330,297** | 5,551,300 | 800,963 | 6,352,263 |
| Movement in unearned premium reserve (net) | **(1,842,454)** | **(98,647)** | **(1,941,101)** | (765,119) | (8,157) | (773,276) |
| Commission earned on reinsurance ceded | **774,351** | **53,278** | **827,629** | 566,747 | 87,220 | 653,967 |
| | **(1,068,103)** | **(45,369)** | **(1,113,472)** | (198,372) | 79,064 | (119,309) |
| **Total insurance revenue** | **5,200,939** | **1,015,886** | **6,216,825** | 5,352,928 | 880,027 | 6,232,954 |
| **Costs** | | | | | | |
| Gross claims paid | **10,289,467** | **1,786,338** | **12,075,805** | 16,687,892 | 1,181,663 | 17,869,555 |
| Reinsurance share | **(6,111,999)** | **(1,239,490)** | **(7,351,489)** | (13,222,485) | (653,788) | (13,876,273) |
| **Net claims paid** | **4,177,468** | **546,848** | **4,724,316** | 3,465,407 | 527,875 | 3,993,282 |
| Movement in outstanding claims reserve (net) | **(1,512,671)** | **(183,148)** | **(1,695,819)** | (188,296) | (37,123) | (225,419) |
| **Net claims incurred** | **2,664,797** | **363,700** | **3,028,497** | 3,277,111 | 490,752 | 3,767,863 |
| Commission expenses | **540,378** | **32,145** | **572,523** | 317,704 | 14,387 | 332,091 |
| **Total insurance costs** | **3,205,175** | **395,845** | **3,601,020** | 3,594,815 | 505,139 | 4,099,954 |
| **Net underwriting results** | **1,995,764** | **620,041** | **2,615,805** | 1,758,113 | 374,887 | 2,132,999 |

**12 Net underwriting results (continued)**

| | **Unaudited period ended 31 Mar 2021** | Unaudited period ended 31 Mar 2020 |
|---|---|---|
| Motor | **964,810** | 719,520 |
| Fire and general accident | **932,982** | 872,288 |
| Marine cargo and hull | **17,572** | 57,578 |
| Medical | **80,399** | 108,726 |
| Life | **620,041** | 374,887 |
| | **2,615,805** | 2,132,999 |

The net claims ratio is as follows:

| | **Unaudited 31 Mar 2021 Percentage** | Unaudited 31 Mar 2020 Percentage |
|---|---|---|
| Motor | **68** | 78 |
| Fire and general accident | **9** | 32 |
| Marine cargo and hull | **180** | 26 |
| Medical | **63** | 51 |
| Life | **38** | 62 |
| Overall loss ratio | **56** | 68 |

The net claims ratio is calculated by dividing the net claims incurred (gross claims less reinsurance and other recoveries) by the net earned premiums (gross premiums written less premiums ceded plus movement in unearned premium reserve).

## 13 Investment income and changes in fair value of investment property

| **Investment income** | **Unaudited Period ended 31 Mar 2021** | Unaudited Period ended 31 Mar 2020 |
|---|---|---|
| Interest income on bank deposits | **335,915** | 326,041 |
| Rental income from investment properties | **79,815** | 88,070 |
| Dividend income | **45,704** | 25,577 |
| Interest Income From Money Market Fund | **39,352** | 12,885 |
| Interest on Bond | **117,384** | 156,609 |
| Profit on Sale of Bonds | **-** | 280,045 |
| Profit on Sale of Shares | **2,488** | - |
| Net unrealised loss on held-for-trading investments | **(49,111)** | (23,680) |
| | **571,547** | 865,547 |

## 14 Other income

| | **Unaudited Period ended 31 Mar 2021** | Unaudited Period ended 31 Mar 2020 |
|---|---|---|
| Policy fees | **15,139** | 16,054 |
| Transfer fees | **66,968** | 59,433 |
| Cancellation fees | **725** | 465 |
| Tender fee collection | **-** | - |
| Sundry income | **19,223** | 2,031 |
| Profit on sale of AAA card | **9,212** | 4,728 |
| Profit on sale of Fixed assets | **-** | - |
| | **111,267** | 82,711 |

## 15 Earnings per share

Earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

| | **Unaudited Period ended 31 Mar 2021** | Unaudited Period ended 31 Mar 2020 |
|---|---|---|
| Net profit for the period (RO) | **974,918** | 1,074,044 |
| Average number of shares outstanding during the period | **100,000,000** | 100,000,000 |
| Basic earnings per share (RO) | **0.010** | 0.011 |

## 16 Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Company, and the companies of which they are principal owners. The transactions are entered into at mutually agreed terms and conditions. The approximate volume of such transactions involving related parties and holders of 10% or more of the Company's shares or their family members, other than those separately disclosed, during the period were as follows:

**16 Related party transactions (continued)**

**(a) Statement of profit or loss and other comprehensive income**

Transactions with related parties or holders of 10% or more of the Company's shares or their family members, included in the statement of profit or loss are as follows:

| | **Unaudited Period ended 31 Mar 2021** | Unaudited Period ended 31 Mar 2020 |
|---|---|---|
| *Premiums written* | | |
| Omani Vegetable Oils and Derivatives LLC | **67,549** | 66,071 |
| Dhofar International Development and Investment Company SAOG | **132** | 147 |
| Bank Dhofar | **676,755** | 691,515 |
| Other related parties | **118,086** | 133,082 |
| | **862,521** | 890,814 |
| *Claims paid* | | |
| Omani Vegetable Oils and Derivatives LLC | **7,352** | 191 |
| Dhofar International Development and Investment Company SAOG | **7,442** | - |
| Bank Dhofar SAOG | **653,722** | 260,561 |
| Other related parties | **18,616** | 11,571 |
| | **687,132** | 272,323 |
| Directors' sitting fees | **10,500** | 13,900 |
| Directors' meeting attendance expenses | **-** | 16,364 |

**Terms and conditions of transactions with related parties**

Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables. For the period ended 31 March 2021, the Company has not established any provision for impaired amounts owed by related parties as the payment history has been good (31 March 2020: same terms and conditions). This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

**(b) Balances with related parties, included under the following headings, are as follows:**

Balances due from related parties or holders of 10% or more of the Company's shares, or their family members, less provisions and write-offs, is analysed as follows:

| | **Unaudited Period ended 31 Mar 2021** | Unaudited Period ended 31 Mar 2020 |
|---|---|---|
| **Other receivables and prepayments** | | |
| Premiums receivable from related parties | **311,162** | 295,496 |
| Outstanding claims payable (included in outstanding claims reserve) to other related parties | **1,728,556** | 1,030,096 |
| Non Convertible Bonds | **2,500,000** | - |
| Interst Accrued on Non Converible Bonds | **248,831** | - |
| Perpetual Bond | **1,000,000** | - |
| Fixed deposits with Bank Dhofar SAOG | **20,939,674** | 35,317,874 |

**(c) Compensation to key management personnel of the Company**

| | **Unaudited Period ended 31 Mar 2021** | Unaudited Period ended 31 Mar 2020 |
|---|---|---|
| Short-term-benefits | **94,626** | 111,413 |
| Employees' terminal benefits | **3,155** | 3,665 |
| | **97,781** | 115,077 |

**17 Contingencies**

*Legal claims*

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Company's income or financial condition.

**18 Optional Convertible Bonds**

In the Extra-Ordinary General Meeting of the shareholders held on 18 January 2018 in accordance with Article 116 of the Commercial Companies Law 1974, as amended, the shareholders also approved the rights issue of 5,000,000 mandatory convertible bonds of OMR 1 each amounting to OMR five million. The bonds bear an interest coupon of 7.5% per annum.
Twenty percent of the bonds amounting to OMR one million are to be compulsorily converted to shares at the end of twenty four months (ie 3 July 2020) at a price equivalent to a 20% discount to the average prevailing market price of the shares during the quarter of the year preceding the conversion of the bonds, with the balance 80% being converted to shares at the end of 60 months (ie 3 July 2023) at a price equivalent to a 20% discount to the average prevailing market price of the shares during the quarter of the year preceding the conversion of the bonds. In the Extra -Ordinary General Meeting of the Shareholders held on November 2020, the Shareholders approved the amendment of the term and conditions of mandatory convertible bonds issued by the Company from mandatory convertable bonds to bonds with conversion or redemption option. Further the interest coupon has reduced to 6% per annum . Optional convertable bonds will be either converted into equity shares or redeemed amounting to OMR 1,000,000 based on solvency condition as per the approved terms and conditions which is "In the event the solvency ratio of the Company remains at or below 135% ".

| | **31 Mar 2021** | 31 Mar 2020 |
|---|---|---|
| Mandatory Convetable Bonds | **5,000,000** | 5,000,000 |
| Less; Current prtion | **(1,000,000)** | (1,000,000) |
| Non current portion of mandatory convertible bonds | **4,000,000** | 4,000,000 |

**19 Comparative figures**

Certain comparative information/corresponding figures have been reclassified to conform to the presentation adopted in these financial statements, the effect of which is not material. Corresponding figures for comparative purposes presented in the statement of financial position are as at 31 March 2021 "Unaudited" and 31 December 2020 :Audited" and for statement of comprehensive income and cash flows, period ended 31 March 2020 "Unaudited".