

GLOBAL RECYCLE L.L.C.

OMAN

FINANCIAL STATEMENTS

31 MARCH 2024

Registered office

P.O Box: 114
Postal Code: 111
North Al Ghubrah
Sultanate of Oman

GLOBAL RECYCLE L.L.C. - OMAN

FINANCIAL STATEMENTS

31 MARCH 2024

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DIRECTORS' REPORT**Directors' Report**

The Directors submit their report and the audited financial statements for the period ended 31 MARCH 2024 .

Principal activities

The principal activity of the Company is business related to Processing, Shredding and Recycling of Tires, Transport of Waste and Waste Materials.

Basis of preparation of accounts

The accompanying audited financial statements have been prepared in accordance with the International Financial Reporting Standards and the Commercial Companies Law of the Sultanate of Oman.

Results and appropriations

The results of the Company for the period ended 31 MARCH 2024 are set out on page 4 and 5 of the financial statements.

Approval of Financial Statements

These financial statements were approved and authorized for issue by the Directors on 26 May 2024


Auditors

The financial statements have been audited by H. C. Shah, Chartered Accountants.

On behalf of GLOBAL RECYCLE L.L.C. .

Director


BHUPINDER KUMAR SEKHRI


PRADEEP KUMAR SHARMA
IDNO.:- 127421395

Ref: 9116

Date: 26 May 2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLOBAL RECYCLE L.L.C.****Report on the Financial Statements****Opinion**

We have audited the financial statements of GLOBAL RECYCLE L.L.C. - OMAN (the Company), which comprise the statement of financial position as at 31 MARCH 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 4 to 21.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 MARCH 2024, and its financial performance and its cash flows for the period then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Other Matters

Financial statements of GLOBAL RECYCLE L.L.C. - OMAN for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 23 May 2023.

Other Information

Management is responsible for the other information. The other information comprises the Members' 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 IFRSs and with the applicable provisions of the Commercial Companies Law 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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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLOBAL RECYCLE L.L.C. (Continued)**

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

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.


H. C. SHAH
CHARTERED ACCOUNTANTS



GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024

	NOTE	31-03-2024 R.O.	31-12-2022 R.O.
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4.	497,891	10,554
Capital Work in Progress		10,174	--
Right of Use Assets	5.	54,503	--
Pre-operative Expenditure		--	1,995
		<u>562,568</u>	<u>12,549</u>
Current Assets			
Inventories	6.	104,744	4,351
Amount Due from Related Party	7.	25,538	--
Other Receivables	8.	61,491	10,306
Bank Balances and Cash	9.	4,366	1,645
		<u>196,139</u>	<u>16,302</u>
TOTAL ASSETS	R.O.	<u>758,707</u>	<u>28,851</u>
EQUITY AND LIABILITIES			
Members' Equity			
Share Capital	10.	600,000	150,000
Legal Reserve		3,815	--
Members' Accounts	11.	(6,000)	(150,000)
Retained Profit / (Loss)		21,683	(12,650)
		<u>619,498</u>	<u>(12,650)</u>
Non Current Liabilities			
Staff Terminal Benefits Payable	12.	3,240	--
Loans for Fixed Assets - Long Term Portion	13.	2,022	--
Long Term Lease Liability	14.	43,082	--
Deferred Tax Liability	15.	6,965	--
		<u>55,309</u>	<u>--</u>
Current Liabilities			
Short Term Lease Liability	16.	13,056	--
Accounts Payable	17.	15,937	21,538
Other Payables	18.	54,907	15,171
Unearned Revenue		--	4,792
		<u>83,900</u>	<u>41,501</u>
TOTAL EQUITY AND LIABILITIES	R.O.	<u>758,707</u>	<u>28,851</u>

The notes on pages 8 to 21 form part of these financial statements

Auditor:



Authorized Signatory:

PRADEEP KUMAR SHARMA

ID No.: 127421395

GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM
01 JANUARY 2023 TO 31 MARCH 2024**

		01-01-2023 TO 31-03-2024 R.O.	30-03-2022 TO 31-12-2022 R.O.
	NOTE		
Revenue		702,679	196,963
Cost of Sales	19.	<u>(547,102)</u>	<u>(177,898)</u>
Gross Profit		155,577	19,065
Administrative & General Expenses	20.	<u>(104,159)</u>	<u>(31,338)</u>
Profit / (Loss) before Depreciation & Finance Charges		51,418	(12,273)
Depreciation		<u>(1,646)</u>	<u>(377)</u>
Operating Profit / (Loss)		49,772	(12,650)
Finance Charges	21.	<u>(4,659)</u>	<u>--</u>
Net Profit / (Loss) for the Period		45,113	(12,650)
Taxation	15.	<u>(6,965)</u>	<u>--</u>
RETAINED PROFIT / (LOSS) FOR THE PERIOD	R.O.	38,148	(12,650)
		=====	=====

The notes on pages 8 to 24 form part of these financial statements

Auditor:



 Authorised Signatory: 

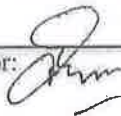
GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

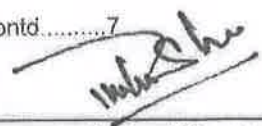
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

	Share Capital R.O.	Legal Reserve R.O.	Members' Current A/cs R.O.	Retained Profit/(Loss) R.O.	Total R.O.
Period to 31 December 2022					
Share Capital	150,000	--	--	--	150,000
Net Movement in Current A/cs	--	--	(150,000)	--	(150,000)
Net (Loss) for the period	--	--	--	(12,650)	(12,650)
At 31 December 2022 R.O.	150,000	--	(150,000)	(12,650)	(12,650)
Period to 31 March 2024					
At 31 December 2022	150,000	--	(150,000)	(12,650)	(12,650)
Increase in Share Capital	450,000	--	--	--	450,000
Net Movement in Current A/cs	--	--	144,000	--	144,000
Net Profit for the period after tax	--	--	--	38,148	38,148
Transfer to Legal Reserve	--	3,815	--	(3,815)	--
At 31 March 2024 R.O.	600,000	3,815	(6,000)	21,683	619,498

Auditor:




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 Authorised Signatory:

GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPG)

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2024

	31-03-2024 R.O.	31-12-2022 R.O.
1. Cash Flow from Operating Activities		
a) Net Profit / (Loss) for the period after tax	38,148	(12,650)
Add: Non - Cash charges - Depreciation	24,015	735
Add: Non - Cash charges - Depreciation on Right of Use Asset	14,688	--
Add: Interest on Lease Liability	4,147	--
Add: Provision for Staff Terminal Benefits	3,240	--
Add: Deferred Tax Liability	6,965	--
Operating Profit / (Loss) before changes in Working Capital	<u>91,203</u>	<u>(11,915)</u>
b) Changes in Working Capital		
Decrease / (Increase) in Inventory	(100,393)	(4,351)
Decrease / (Increase) in Accounts & Other Receivables	(51,185)	(10,306)
Decrease / (Increase) in Dues and Related Parties	(25,538)	--
Increase / (Decrease) in Accounts & Other Payables	27,432	41,501
Net Changes in Working Capital	<u>(149,684)</u>	<u>26,844</u>
Net Cash Flow (used in) / from Operating Activities (A)	1a - 1b <u>(58,481)</u>	<u>14,929</u>
2. Cash Flow from Investing Activities		
a) Acquisition of Property, Plant & Equipment	(511,352)	(11,289)
b) Pre-Operative Expenses	1,995	(1,995)
c) Capital Work in Progress	(10,174)	--
Net Cash (used in) / from Investing Activities (B)	2a - 2c <u>(519,531)</u>	<u>(13,284)</u>
3. Cash Flow from Financing Activities		
a) Share Capital	450,000	150,000
b) Members' Current Accounts	144,000	(150,000)
c) Long Term Lease Liability	(13,053)	--
d) Interest on Lease Liability Paid	(4,147)	--
e) Long Term Loans (inc. Short Term Portion)	3,933	--
Net Cash Flow (used in) / from Financing Activities (C)	3a - 3e <u>580,733</u>	<u>--</u>
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	2,721	1,645
Cash and Cash equivalents at the beginning of the period	1,645	--
Cash and Cash equivalents at the end of the period	R.O. <u>4,366</u>	<u>1,645</u>
COMPRISING OF:		
1. Cash Balances	2,764	29
2. Bank Balances	1,602	1,616
	R.O. <u>4,366</u>	<u>1,645</u>

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Auditor:





Authorised Signatory:

GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024**1. LEGAL STATUS AND ACTIVITIES:**

Global Recycle L.L.C. - Oman (the company) is a Limited Liability Company with CR No.1418299 registered under the Commercial Laws of the Sultanate of Oman on 30.03.2022. It is engaged in business related to Processing, Shredding and Recycling of Tires, Transport of Waste and Waste Materials.

The Holding company Tinna Rubber and Infrastrucuture Limited made their first remittance towards the share capital during April 2023.

The current year's financial statement is for the period of 15 months (1-1-2023 to 31-3-2024).

The breakup of the Profit & Loss account for the first 3 months for the period from 01.01.2023 to 31.03.2023 and next 12 months period from 01.04.2023 to 31.03.2024 are as follows:

	01.01.2023 To 31.03.2023	01.04.2023 To 31.03.2024	TOTAL 01.01.2023 To 31.03.2024
INCOME			
Revenue	105,639	597,039	702,679
EXPENSES			
Cost of Sales	100,503	446,599	547,102
Other Expenses	18,890	85,269	104,159
Finance Charges	--	4,659	4,659
Depreciation	306	1,340	1,646
Total Expenses	<u>119,699</u>	<u>537,867</u>	<u>657,566</u>
Profit / (Loss) before Tax	(14,060)	59,172	45,113
Tax	--	6,965	6,965
Net Profit after Tax	<u>(14,060)</u>	<u>52,207</u>	<u>38,148</u>



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GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)**2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to each of the years presented in the financial statements, unless otherwise stated.

2.1 BASIS OF PREPARATION:

a. These financial statements are prepared on the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Commercial Companies Law, as amended. The financial statements have been presented in Omani Rial ("R.O.").

b. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas where accounting assumptions and estimates are significant to the financial statements are disclosed in the accounting policies and notes to the financial statements.

c. *Standards and Amendments effective in 2024 and relevant for the company's operation:*

For the period ended 31 March 2024, the company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, that are relevant to its operations and effective for the periods beginning on 1 January 2023.

The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

d. *Standards, Amendments and Interpretations to existing standards that are not yet effective and have not been early adopted by the company:*

There are new Standards, Amendments & Interpretations to the existing Standards have been published and are mandatory for the companies accounting period beginning on or after 01 April 2024 or later periods, which will or may have an effect on the entity's future financial statements but the company has not early adopted them.

2.2 CAPITAL WORK-IN-PROGRESS:

Expenses related to capital nature expenses to be capitalized are booked under Capital Work-in-Progress. Upon completion, the capital work-in-progress will be transferred to property, plant and equipment.

2.3 ACCOUNTS RECEIVABLE:

Accounts receivable are stated at original invoice amounts less a provision for any uncollectible amounts. An estimation for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

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GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)

2.4 PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged on a straight line basis to the income statement over the expected useful lives of the assets as follows:

Temporary Building	10 years
Portacabin and Tank	10 years
Furniture & Fixtures	10 years
Office Equipment	10 years
Tools & Equipment	10-20 years
Plant & Machinery	10-20 years
Motor Vehicles	10 years

The depreciation method and useful lives, as well as residual values if not insignificant are reassessed annually. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.

2.5 LEASES

The Company assesses whether a contract is or contains a lease, at 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, 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.

Right of Use Asset

The right-of-use of assets are presented as a separate line in the statement of financial position. The right-of-use assets are depreciated over the period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is presented as a separate line item in the statement of financial position.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The following is the details of the Lease payment made by the company.

Lease Rental	31-03-2024 17,200
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GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)**2.6 INVENTORIES:**

Inventories are valued at the lower of cost and net realisable value with due allowance for slow-moving items. Cost is determined on the weighted average cost basis and includes expenditure incurred in acquiring inventory and bringing them to their existing location and condition. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation. In respect of finished goods and work in progress, costs comprise of material cost and proportionate direct expenses.

2.7 RELATED PARTY TRANSACTIONS:

The Company has entered into transactions with entities over which certain Directors are able to exercise significant influence. In the ordinary course of business, such related parties provide goods and render services to the Company. The Company believes that the terms of purchases, and provision of services are comparable with those that could be obtained from third parties.

At the reporting date, due from / to related parties are as follows:

	31-03-2024	31-12-2022
Due from Related Parties		
Tinna Rubber and Infrastructure Limited	69,671	--
Due to Related Parties		
Tinna Rubber and Infrastructure Limited	44,133	--
Net Amount Due from Related Parties		
Tinna Rubber and Infrastructure Limited	25,538	--

Significant transactions during the period with Related Parties are as follows:

Sale of Goods	691,096
Raw Material Purchased	8,077
Purchase of Fixed Assets and Others items	302,671

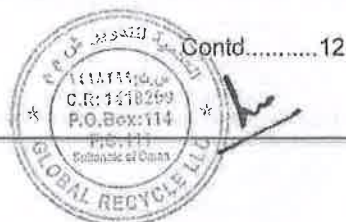
2.8 IMPAIRMENT:

The carrying amounts of the Company's assets, other than stocks are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount. Impairment is determined as follows:

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the income statement.
- For assets carried at cost, impairment is the difference between the carrying value and the present value of the future cash flows discounted at the current market rate of return for similar assets.
- For assets carried at amortised cost, impairment is the difference between the carrying value and the present value of future cash flows discounted at the effective interest rate.

2.9 LEGAL RESERVE:

The Commercial Companies Law requires that 10% of the Company's Net Profit be transferred to a non-distributable legal reserve until the amount of the legal reserve equals one-third of the Company's share capital.



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GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)**2.10 END OF SERVICE BENEFIT AND LEAVE ENTITLEMENTS:**

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

Provision for non - Omani employees' end of service benefit is accrued in accordance with the terms of employment of the company's employees at the financial position date, having regard to the requirement of the Oman Labour Law. Employee entitlements to annual leave are recognised when they accrue to employees and an accrual is made for the estimated liability for the annual leave as a result of services by employees upto the financial position date.

2.11 ACCOUNTS PAYABLE AND PROVISIONS:

Liabilities are recognised for amounts to be paid for goods and services rendered during the period ended 31 March 2024, whether or not billed to the company.

Provisions are recognised when the company has an obligation arising from past events, and the cost to settle the obligation are both probable and able to be reliably measured.

2.12 FINANCIAL INSTRUMENTS:**Classification of financial assets**

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories of financial assets: fair value through profit or loss (FVTPL), available for sale (AFS), held-to-maturity and amortised cost have been replaced by:

Financial assets carried at amortised cost;

Financial assets carried at fair value through other comprehensive income (FVOCI); and

Financial assets carried at fair value through profit or loss (FVTPL)

Impairment of financial assets

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all debt financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive.

The Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience as adjusted for forward-looking factors.

2.13 BORROWING COSTS:

Borrowing costs are recognised as an expense in the period in which they are incurred and are calculated by using the effective interest rate method.

2.14 FOREIGN CURRENCY:

Foreign currency transactions are translated into Rials Omani at the exchange rates prevailing on the transaction date. Foreign currency assets and liabilities are translated into Rials Omani at the exchange rates prevailing at the statement of financial position date. Differences on exchange are dealt with in the statement of comprehensive income as they arise.

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GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)**2.15 RISK MANAGEMENT:**

The Company has exposure to credit risk, liquidity risk and market risk in its normal course of business.

- a. **Credit risk:** Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial contract fails to meet the contractual obligations. The exposure to credit risk is monitored on an ongoing basis by the management and these amounts are considered recoverable by the Company's management.
- b. **Liquidity risk:** Liquidity risk is the risk that the Company can default in meeting the obligations associated with its financial liabilities. The Company assures that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
- c. **Market risk:** Market risk is the risk that changes in market prices, such as foreign currency rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

2.16 REVENUE RECOGNITION:

IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue guidance, which is found currently across several Standards and Interpretations within IFRS. It established a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Income from operations

Income from operations represents sale of goods in normal course of business and is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by the Company may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Income from operations is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.



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GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)**2.17 TAXATION**

Income tax is calculated as per the Taxation Laws of Oman and is recognised in the statement of comprehensive income to the extent that it relates to items recognised directly to equity or other comprehensive income.

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

The Company has provided for taxation in accordance with the income tax laws of the Sultanate of Oman at the rate of 15% of adjusted taxable profits. The Company's assessments for the tax period ended 31 December 2022 have not yet been finalised with the Tax Authority. The Directors of the Company believe that additional taxes, if any, in respect of open tax assessment would not be material to the Company's financial position.

Deferred tax is calculated using the liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially 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 benefit will be realised.

2.18 PREVIOUS YEAR'S FIGURES:

Previous year's figures are for the period from 30 March 2022 to 31 December 2022, whereas the current period's figures are for the period from 01 January 2023 to 31 March 2024 and hence are not exactly comparable. Previous year's figures have been regrouped wherever necessary to conform to current period's presentation.

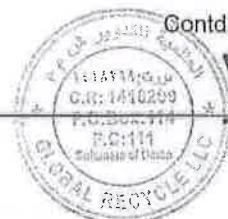
2.19 PREOPERATIVE EXPENSES:

Pre-operative expenses incidental for setting up of plant capitalised to Assets are as follows:

Direct Employee cost and related Expenses	17,179
Administrative and General Expenses	<u>3,407</u>
Total	<u>20,586</u>

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. The significant accounting judgements, estimates and assumptions used in the preparation of the Company's financial statements are disclosed below:



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GLOBAL RECYCLE L.L.C. - OMAN

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)**SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)****Useful lives of property, plant and equipment**

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

Impairment of financial assets at amortised cost

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Going concern

The management of the Company reviews the financial position 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 members 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.

Lease Term

In determination of the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option along with using hindsight, such as in determining if the contract contains options to extend or terminate the lease term.

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.



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GLOBAL RECYCLE L.L.C. - OMAN

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)

4. PROPERTY, PLANT AND EQUIPMENT:

	TEMP- ORARY BUILDING R.O.	PORTA CABIN & TANK R.O.	FURN- ITURE & FIX- TURES R.O.	OFFICE EQUIP- MENT R.O.	TOOLS & EQUIP- MENT R.O.	PLANT & MACHI- NERY R.O.	MOTOR VEHI- CLES R.O.	TOTAL R.O.
COST:								
Additions during the period	--	--	1,066	--	--	6,123	4,100	11,289
At 31 December 2022	--	--	1,066	--	--	6,123	4,100	11,289
DEPRECIATION:								
Charge for the period	--	--	104	--	--	358	273	735
At 31 December 2022	--	--	104	--	--	358	273	735
NET BOOK VALUE								
AT 31 DECEMBER 2022 R.O.	----	----	962	----	----	5,765	3,827	10,554
COST:								
At 31 December 2022	--	--	1,066	--	--	6,123	4,100	11,289
Additions during the period	60,851	6,009	5,932	1,267	74,638	353,768	8,887	511,352
At 31 March 2024	60,851	6,009	6,998	1,267	74,638	359,891	12,987	522,641
DEPRECIATION:								
At 31 December 2022	--	--	104	--	--	358	273	735
Charge for the period	2,817	273	455	64	2,756	16,523	1,127	24,015
At 31 March 2024	2,817	273	559	64	2,756	16,881	1,400	24,750
NET BOOK VALUE								
AT 31 MARCH 2024 R.O.	58,034	5,736	6,439	1,203	71,882	343,010	11,587	497,891

Depreciation is grouped as under

	2023	2022
(i) Direct - under Cost of Turnover	22,369	358
(ii) Indirect - under Administrative Expenses	1,646	377
	<u>24,015</u>	<u>735</u>



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GLOBAL RECYCLE L.L.C. - OMAN

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)

	31-03-2024 R.O.	31-12-2022 R.O.
5. RIGHT OF USE ASSETS		
Costs		
Additions during the period	69,191	--
At 31 March 2024	<u>69,191</u>	<u>--</u>
Depreciation		
Charged for the period	(14,688)	--
At 31 March 2024	<u>(14,688)</u>	<u>--</u>
Net Book Value at 31 March 2024	R.O. <u>54,503</u>	<u>--</u>
The company has entered into long-term lease contracts for land at Saham. The lease terms are ranging from 1 year for 5 years.		
6. INVENTORIES		
Raw Materials	26,900	--
Finished Goods	48,054	4,351
Packing Materials	5,553	--
Spare Parts & Consumables	24,237	--
	R.O. <u>104,744</u>	<u>4,351</u>
7. AMOUNT DUE FROM RELATED PARTY		
Tinna Rubber and Infrastructure Limited	25,538	--
	R.O. <u>25,538</u>	<u>--</u>
8. OTHER RECEIVABLES		
Advances Paid to Suppliers	10,269	6,907
Prepayments and Deposits	7,714	1,832
Other Current Assets	--	360
Due from Employees	563	59
Advances for Fixed Assets	13,125	--
VAT Refundable	29,820	1,148
	R.O. <u>61,491</u>	<u>10,306</u>



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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)

	31-03-2024 R.O.	31-12-2022 R.O.
9. BANK BALANCES AND CASH		
Current Accounts	785	1,291
Bank Margin	817	325
Cash on Hand	2,764	29
	R.O. 4,366	1,645
10. SHARE CAPITAL		
The Company's Registered Share Capital comprises of 600,000 Ordinary Shares of R.O. 1/- each. The shareholders at 31 March 2024 are as follows:		
Name of the Shareholders	Holding %	
Tinna Rubber and Infrastructure Limited	99/000	594,000
Mr. Hilal Nasser Mansoor Al Rawahi	01/100	6,000
	R.O. 600,000	150,000
11. MEMBERS' ACCOUNTS		
Mr. Hilal Nasser Mansoor Al Rawahi	(6,000)	(150,000)
	R.O. (6,000)	(150,000)
12. STAFF TERMINAL BENEFITS PAYABLE		
Net Movements during the period	3,240	--
	R.O. 3,240	--
13. LOANS FOR FIXED ASSETS - LONG TERM PORTION		
Muscat Finance Company	3,933	--
Less: Current Maturity (shown under Current Liabilities)	(1,911)	--
	R.O. 2,022	--

Loans from Finance Companies, are secured by joint registration of Asset both in the name of the Company and the vehicle financiers and secured by Post Dated Cheques.

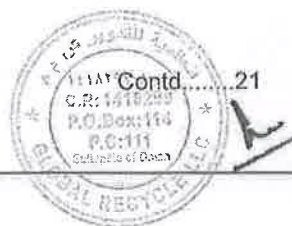


GLOBAL RECYCLE L.L.C. - OMAN

(Earlier operating as Global Recycle SPC)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)

	31-03-2024 R.O.	31-12-2022 R.O.
17. ACCOUNTS PAYABLE		
Due to Suppliers	15,937	21,538
	<u>15,937</u>	<u>21,538</u>
	R.O.	R.O.
	<u>15,937</u>	<u>21,538</u>
18. OTHER PAYABLES		
Accrued Expenses	52,996	15,171
Long Term Loans - (Short Term Portion)	1,911	--
	<u>54,907</u>	<u>15,171</u>
	R.O.	R.O.
	<u>54,907</u>	<u>15,171</u>
19. COST OF SALES		
Inventories of Raw Materials at 31 December 2022	4,351	--
Purchases of Raw Materials & Packing Materials	279,071	139,113
Less: Inventories of Raw Materials at 31 March 2024	(26,900)	(4,351)
Less: Inventories of Packing Materials at 31 March 2024	(5,553)	--
Materials consumed during the year	<u>250,969</u>	<u>134,762</u>
Add: Direct Expenses		
Freight Expenses & Related Expenses	82,134	42,103
Loading & Unloading Expenses	10,493	145
Transportation Expenses	20,553	327
Repair and Maintenance	26,961	--
Direct Employee Costs and Related Benefits	116,723	--
Other Direct Expenses	4,554	203
Utilities	45,712	--
Direct Depreciation	22,369	358
Depreciation of Right of Use of Asset	14,688	--
	<u>595,156</u>	<u>177,898</u>
Less: Inventories of Finished Goods at 31 March 2024	(48,054)	--
	<u>547,102</u>	<u>177,898</u>
	R.O.	R.O.
	<u>547,102</u>	<u>177,898</u>



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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (CONTD.)

	31-03-2024 R.O.	31-12-2022 R.O.
20. ADMINISTRATIVE AND GENERAL EXPENSES		
Sponsorship Fee	13,870	3,088
Employee Costs and Related Benefits	25,013	1,886
Rent	--	3,735
Electricity and Water	--	104
Telephone and Fax	1,670	213
Postage and Courier	239	18
Printing and Stationery	655	6
Travelling and Conveyance	3,927	11,642
Vehicle Expenses	10,281	1,746
Insurance	2,040	--
Medical Expenses	2,325	443
Establishment Expenses	7,183	4,049
Advertisement and Business Promotion	10,833	34
Office Expenses	970	422
Registration and Renewals	4,577	218
Visa and Immigration Expenses	11,428	296
Repairs & Maintenance	1,150	821
Bank Charges	544	81
Miscellaneous Expenses	1,791	2,536
Entertainment Expenses	1,322	--
Exchange Loss	4,341	--
	R.O. 104,159	31,338
21. FINANCE CHARGES		
Interest on Property, Plant and Equipment Loan	512	--
Interest on Lease liability	4,147	--
	R.O. 4,659	--



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