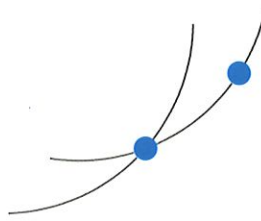


mgivision

CHARTERED ACCOUNTANTS



FELIX INDUSTRIES L.L.C.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**



FELIX INDUSTRIES L.L.C.

Directors' report and financial statements for the year ended 31 March 2025

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FELIX INDUSTRIES L.L.C.

Directors' report for the year ended 31 March 2025

The Board of Directors' are pleased to submit their report and the audited financial statements of Felix Industries LLC (the "Company") for the year ended 31 March 2025.

Principal activities

The principal activities of the Company includes wholesale of metal and non-metal waste, scrap and materials for recycling.

Basis of preparation of accounts

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

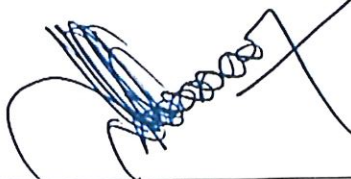
Results and appropriations

The financial position of the Company as at 31 March 2025, together with the statements of comprehensive income, changes in equity and cash flows for the year then ended are set out in pages 6 to 9 of the accompanying financial statements.

Auditor

The financial statements have been audited by MGI Vision Chartered Accountants who offer themselves for re-appointment.

On behalf of **FELIX INDUSTRIES LLC**



**KHAJA FOUZAN MOHAMMED ISMAIL
MEMBER**



FELIX INDUSTRIES L.L.C.

Administration and contact details as at 31 March 2025

Commercial registration number	1490159
VAT registration number	OM1100349887
Members	Felix Industries Ltd Mr. Khaja Fouzan Mohammed Ismail Mr. Khalid Ali Zahir Seleman Al Busaidi
Registered office	P.C 111, P.O. BOX 123 Sultanate of Oman
Banker	Sohar International SAOG
Auditor	MGI Vision Chartered Accountants Office No. 21-22, Level 3, Mosaic Tower, Building 1532 Way No. 1822, Qurum PO Box 1540, PC 114 Muscat, Sultanate of Oman

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

FELIX INDUSTRIES L.L.C.

Report on audit of the financial statements

Opinion

We have audited the financial statements of **FELIX INDUSTRIES LLC (the "Company")**, which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a 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 of its financial performance and its cash flow for the year then ended in accordance with 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As our scope of work was limited to the financial statements for the year ended 31 March 2025, we did not perform an audit of the comparative figures for the year ended 31 March 2024. These figures have been presented for comparative purposes only. Accordingly, we do not express an opinion on the opening balances or their impact, if any, on the financial performance and cash flows for the year ended 31 March 2025.

Material uncertainty related to going concern

We draw attention to Note 2.3 to the financial statements, which states that the Company's current liabilities exceeded its current assets by RO 1,017,538 as at 31 March 2025. This indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, as disclosed in Note 2.3, a shareholder, Felix Industries Ltd, has provided a letter of financial support confirming that it will continue to provide necessary financial assistance to the Company for a period of at least 12 months from the date of signing of the financial statements to enable the Company to meet its obligations as they fall due. Accordingly, these financial statements have been prepared on a going concern basis. If the shareholder fails to provide financial support to the Company as and when required, it will not be appropriate to prepare the financial statements on a going concern basis. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report.

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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF
FELIX INDUSTRIES L.L.C.

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

We obtained the Directors' report prior to the date of our audit report. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report on in this regard.

Responsibilities of the 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 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.

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.

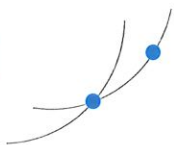
Auditor's Responsibilities for the Audit of the Financial Statements

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.





INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF
FELIX INDUSTRIES L.L.C.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company for the year ended 31 March 2024 were audited by another auditor who expressed an unqualified report on those statements.

Report on Other Legal and Regulatory Requirements

We report that, these 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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Abdul Majid Al Abri.

MGI Vision Chartered Accountants
Muscat,
Sultanate of Oman
Date: 29 May 2025




FELIX INDUSTRIES L.L.C.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Notes	31.03.2025 RO.	31.03.2024 RO.
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,682,727	66,587
Capital work-in-progress	4	23,075	-
Leasehold rights	5	500,000	-
Right of use asset	6(i)	148,277	-
		<u>2,354,079</u>	<u>66,587</u>
CURRENT ASSETS			
Inventories	14	80,372	73,688
Trade receivables	7	46,230	174,646
Other current assets	8	21,463	117,003
Cash and cash equivalents	9	8,989	38,223
		<u>157,054</u>	<u>403,560</u>
TOTAL ASSETS		<u>2,511,133</u>	<u>470,147</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	1,750,000	250,000
Retained earnings		90,194	56,803
Legal reserve		3,710	-
Equity fund		<u>1,843,904</u>	<u>306,803</u>
Members' current account	18(ii)	<u>(698,395)</u>	<u>-</u>
Members' fund		<u>1,145,509</u>	<u>306,803</u>
NON CURRENT LIABILITIES			
Lease finance	11	24,322	-
Lease liability	6(ii)	155,646	-
Deferred tax liability	19(iii)	11,064	-
		<u>191,032</u>	<u>-</u>
CURRENT LIABILITIES			
Lease finance	11	12,510	-
Lease liability	6(ii)	5,536	-
Trade and other payables	12	56,767	163,344
Due to a related party	18(i)	1,094,272	-
Current tax payable	19(i)	5,507	-
		<u>1,174,592</u>	<u>163,344</u>
TOTAL EQUITY AND LIABILITIES		<u>2,511,133</u>	<u>470,147</u>

The financial statements and other explanatory information on pages 6 to 29 were approved by the shareholders on 29/05/25 and were signed on their behalf by:


KHAJA FOUZAN MOHAMMED ISMAIL
MEMBER



The report of the independent auditor is set forth on pages

FELIX INDUSTRIES L.L.C.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2024-25 RO.	2023-24 RO.
REVENUE	13	240,786	262,307
Cost of revenue	14	(154,046)	(52,517)
GROSS PROFIT		86,740	209,790
Other incomes	15	141,596	706
General and administrative expenses	16	(127,775)	(151,511)
Allowance for expected credit losses (ECL)	7	(10,532)	-
Depreciation on property, plant and equipment	3(i)	(13,483)	(231)
PROFIT FOR THE YEAR FROM OPERATING ACTIVITIES		76,546	58,754
Finance costs	17	(22,874)	(1,951)
NET PROFIT FOR THE YEAR BEFORE TAXATION		53,672	56,803
Taxation	19(i)	(16,571)	-
NET PROFIT FOR THE YEAR AFTER TAXATION		37,101	56,803

There are no items in other comprehensive income for the year ended 31 March 2025 and 31 March 2024

The notes and other explanatory information on pages 10 to 29 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 3 to 5



FELIX INDUSTRIES L.L.C.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Share capital RO.	Legal reserve RO.	Retained earnings RO.	Total RO.
As at 14 June 2023	-	-	-	-
Introduced during the period	250,000	-	-	250,000
Net profit for the period after taxation	-	-	56,803	56,803
As at 31 March 2024	250,000	-	56,803	306,803
Introduced during the year	1,500,000	-	-	1,500,000
Net profit for the year after taxation	-	-	37,101	37,101
Transfer to legal reserve	-	3,710	(3,710)	-
As at 31 March 2025	1,750,000	3,710	90,194	1,843,904

The notes and other explanatory information on pages 10 to 29 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 3 to 5



FELIX INDUSTRIES L.L.C.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2024-25 RO.	2023-24 RO.
Cash flows from operating activities			
Net profit for the year before taxation		53,672	56,803
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	3	44,858	2,836
Amortization of right of use asset (Note 6(i))	14	21,182	-
Allowance for expected credit losses (ECL)	7	10,532	-
Interest on lease liability	17	20,152	-
Operating profit before income tax and changes in working capital		150,396	59,639
Changes in inventories	14	(6,684)	(73,688)
Changes in trade receivables	7	117,884	(174,646)
Changes in other current assets	8	95,540	(117,003)
Changes in related party balances	18(i)	1,094,272	-
Changes in unsecured loan		-	9,724
Changes in trade and other payables	12	(106,577)	153,620
Cash generated from / (used in) operating activities		1,344,831	(142,354)
Taxes paid		-	-
Net cash generated from / (used in) operating activities		1,344,831	(142,354)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1,660,998)	(69,423)
Changes in intangible asset	5	(500,000)	-
Changes in capital work in progress	4	(23,075)	-
Net cash used in investing activities	B	(2,184,073)	(69,423)
Cash flows from financing activities			
Changes in share capital	10	1,500,000	250,000
Changes in members' current account	18(ii)	(698,395)	-
Lease finance drawdown	11	36,832	-
Lease payment	6(ii)	(28,429)	-
Net cash generated from financing activities	C	810,008	250,000
Net change in cash and cash equivalents	A+B+C	(29,234)	38,223
Cash and cash equivalent at the beginning of the year	9	38,223	-
Cash and cash equivalent at the end of the year		8,989	38,223

The notes and other explanatory information on pages 10 to 29 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 3 to 5



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. LEGAL STATUS AND PRINCIPAL BUSINESS ACTIVITIES

- i) **FELIX INDUSTRIES LLC (the "Company")** is a Limited Liability Company, registered in Sultanate of Oman on 14 June 2023 vide C.R. No. 1490159 under the Commercial Companies Law of the Sultanate of Oman.
- ii) The principal activities of the Company includes wholesale of metal and non-metal waste, scrap and materials for recycling.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board, and which are effective for the current accounting period, and the applicable requirements of the Oman Commercial Companies Law (CCL).

2.2 BASIS OF MEASUREMENT

The financial statements are prepared under the historical cost convention. Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.3 GOING CONCERN

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

As at 31 March 2025, the current liabilities exceed the current assets by RO.1,017,538/-. One member namely Felix Industries Ltd , has provided a letter of support to the Company confirming that it will continue to provide necessary financial support to the Company for atleast 12 months from the date of signing of the financial statements so as to enable the Company to meet its obligations as and when those are due.

If above matter does not eventuate, then preparing the financial statements on a 'going concern' basis would be inappropriate and adjustments would be necessary to reduce the value of the assets to their recoverable amounts, to classify all assets and liabilities as current and to provide for any further liabilities that might arise.

2.4 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are prepared in Rials Omani, which is the functional and presentation currency.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the financial statements are set out below. These accounting policies have been consistently applied by the Company to all the years presented, unless otherwise stated.

(i) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. The cost is the purchase price together with any incidental expenses. Subsequent costs are included in the assets' carrying amount or recognized as asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on straight line basis to write off the cost of property, plant and equipment less their estimated residual value, where material, in equal annual instalments over their estimated useful lives. Depreciation has been calculated from the date of acquisition at the following rates:



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) *Property, plant and equipment (Continued)*

<u>Assets</u>	<u>Useful life</u>
Plant and machinery	6-7 years
Motor vehicles	5 years
Furniture and fixtures	5 years
Leasehold improvements	16 years
Office equipments	5 years

Capital work in progress is not depreciated until it is capitalized and transferred to one of the asset categories when the asset is ready for use.

An assessment of depreciation method, useful lives and residual values are undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses in disposals of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

(ii) *Impairment of non financial assets*

The carrying amounts of non-financial assets are reviewed at each year end date to determine whether there is any indication of impairment. If any such indication exists, their recoverable amount is estimated. Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specified to the assets.

An impairment loss is recognized in the statement of comprehensive income whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses (on assets other than goodwill) recognized in earlier periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment has been recognized.

(iii) *Leases*

The Company leases various assets for commercial use. Rental contracts are made for varying period/years but may have extension and renewal options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants', however leased assets are not used as security for borrowing purposes.

Set out below are the accounting policies of the Company in line with IFRS 16

Right-of-use assets

Initial measurement

The Company recognizes right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- present value of estimated restoration costs.

Subsequent measurement



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(iii) *Leases (Continued)*

Subsequent to initial measurement right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-assets are depreciated on a straight-line basis over the shorter of asset's estimated useful life and the lease term.

Lease liabilities

The Company recognizes lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments if interest rate implicit in the lease is not readily determinable. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. Further, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability 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.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value (i.e. Asset value below RO. 1,925 when new). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(iv) *Taxation*

Taxation for the current year has not been provided in the financial statements on account of the tax loss incurred during the year. Additional tax liability that may arise in future on completion of pending tax assessments for the earlier tax years are not expected to be material to the Company's financial position, and would be paid for and accounted in the financial statements of the year in which the tax assessments are completed.

Deferred tax asset

Deferred tax is accounted, using the balance sheet method, for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position, using the currently enacted tax rates. The principal temporary difference arise from depreciation on property, plant and equipment and provision for expected credit losses (ECL), unabsorbed business losses and ROU asset and lease liability. A deferred tax asset is recognized only to the extent it is probable that future taxable profits will be available against which the deferred tax asset can be utilized and related tax benefit realized.

(v) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and current account balances with banks. Bank overdrafts (if any) are shown within borrowings in current liabilities in the statement of financial position.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(vi) *Trade receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a short period and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost. Trade receivables are stated at original invoice amount less allowance for expected credit losses (ECL). Trade receivables are written off when there is no reasonable expectation of recovery. Reasonable expectation of recovery includes amongst others, the failure of debtor to engage in a repayment plan with the Company.

(vii) *Inventories*

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is determined on the weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Finished goods comprises direct material, direct labor and appropriate share of other production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Provision is made where necessary for obsolete, slow moving and defective items.

(viii) *Equity*

Share capital is recorded at the value of proceeds received/receivable towards interest in share capital of the Company.

(ix) *Legal reserve*

Legal reserve is created by appropriating 10% of the net profit for the year as required by the Commercial Companies Law of Oman. The Company may resolve to discontinue such annual transfers when the reserve totals one-third of the paid-up share capital.

(x) *Provisions*

Provision are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

(xi) *Trade and other payables*

Liabilities are recognized for amounts to be paid for goods or services received, whether billed by the suppliers or not, to the extent of goods or services certified or received by the Company.

(xii) *Value Added Tax (VAT)*

Output VAT related to sales is payable to tax authorities on the earlier of collection of receivables from customers or delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the tax invoice. The tax authorities permit the settlement of VAT on a net basis. The VAT related to sales and purchases is recognized in the statement of financial position on a net basis. If provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(xiii) *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one company and a financial liability or equity instrument of another company.

Recognition

Financial assets and financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the instrument. Investments in quoted equity shares (if any) are recognized on the trade date.

Derecognition

Financial assets are de-recognized when, and only when,

- The contractual rights to receive cash flows expire or
 - The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- a) the Company has transferred substantially all the risks and rewards of the asset, or
- b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognized when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Classification and Measurement

Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

Initial measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The Company initially 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. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The contractual cash flow characteristic of a financial assets could give rise to cash flows that are 'Solely Payments of Principal and Interest' (SPPI) on the principal amount outstanding.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(xiii) *Financial instruments (Continued)*

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade receivables, other current (financial) assets and cash equivalents.

Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

The Company does not have any financial instruments under this category.

Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Company does not have any financial instruments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include:

- Held for trading financial assets,
- Financial assets designated upon initial recognition at fair value through profit or loss, or
- Financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(xiii) *Financial instruments (Continued)*

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Company does not have any financial instruments under this category.

Impairment of financial assets

The Company measures Expected Credit Loss (ECL) in a way that reflects:

- a) An un-biased and probability weighted amount that is determined by evaluating a range of possible outcomes
- b) Time value of money
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Company recognizes allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses 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, discounted at an approximation of the original effective interest rate. The credit loss arises even when the company is expected to be settled in full but later than contractual due date. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognized in two stages.

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months.

- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, allowance for expected credit losses is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For trade receivables, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognizes allowance for expected credit losses based on lifetime expected credit losses at each reporting date.

(xiv) *Revenue*

Revenue from contracts with customers

The principal activities of the Company includes re-cycling and treatment of metal and non-metal waste and scrap into secondary raw materials.

Revenue from contracts with customers is recognized when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured net of discounts, rebates, returns and other similar allowances.

The Company recognizes revenue from contracts with customers based on five step model as set out in IFRS 15:

1. Identify the contract with customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue as performance obligations are satisfied



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(xiv) *Revenue (Continued)*

The Company is required to assess its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. Revenue is recognized in the statement of comprehensive income to the extent that it is highly probable that a significant reversal in amount of cumulative revenue recognized will not occur in future when related uncertainties are subsequently resolved, and the revenue and costs, can be measured reliably.

The Company considers whether there are other promises in the contract that are performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods/services, the company considers the effect of variable consideration, significant financing components and consideration payable to the customer (if any).

Sale of goods

The Company has concluded that revenue from sale of goods should be recognized at the point in time when the control of goods is transferred to the customer, generally on delivery of the goods.

Sale of services

The Company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of being distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

Other income

Other income is recognized when it is probable that future economic benefits will flow to the Company and when the amount can be measured reliably, unless recovery is doubtful.

Significant financing component

In case of short-term advance from customers, as the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in IFRS 15 and not adjusted the consideration for significant financing component.

In case of long-term advance from customers, the transaction price for such contract is discounted using the rate that would be reflected in a separate financing transaction between the customer and the Company.

Principal vs agent consideration

The Company has concluded that it is a principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer and the primary responsibility of supplying the goods is of the Company.

(xv) *Employees benefit costs*

In accordance with the Social Protection Law, the Company contributes to the Social Security Scheme. This scheme is administered by the Social Protection Fund, which finances various employee benefits including insurance for old age, disability, and death insurance for work injuries and occupational diseases; insurance for employment security; insurance for sick and other leaves and insurance for maternity and paternity leaves. These benefits are available to both Omani and non-Omani employees, subject to their eligibility dates and criteria.

Employee contributions, as defined in the Social Protection Law, are deducted from their salaries and remitted to the Social Protection Fund on a monthly basis. Similarly, employer contributions, also defined by the Social Protection Law, are remitted monthly to the Social Protection Fund and recognized as expenses on an accrual basis.

Employees benefit cost comprising of leave salary, gratuity and passage are accounted on cash basis.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(xvi) *Finance costs*

Finance costs include interest on lease liabilities, finance lease and bank charges.

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

(xvii) *Foreign currencies*

Transactions in foreign currencies are translated into Rials Omani and recorded at the rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Rials Omani at the rates of exchange ruling at the year end. The resultant exchange gains and losses are recognized in the statement of comprehensive income.

(xviii) *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(xix) *Contingent liabilities*

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the Company. Contingent liabilities also include obligations that are not recognized because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the Company has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain. Contingent liabilities are not recognized in the financial statements but rather disclosed in notes to accounts.

2.6 CRITICAL JUDGMENTS, ASSUMPTIONS AND ESTIMATES

- i) The critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each year end, management conducts an assessment of property, plant, equipment, leasehold rights and capital work in progress to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, the assets are written down to their recoverable

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Leases

Determining the lease term

In determining the lease term, management considers all facts and circumstances including contractual and legal rights, that create an economic incentive to exercise an extension/renewal option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), due to the absence of implicit rates in the lease contracts.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.6 CRITICAL JUDGMENTS, ASSUMPTIONS AND ESTIMATES (CONTINUED)

Management has applied judgments and estimates to determine the IBR at the commencement of lease, using borrowing rates that certain financial institutions would charge the Company against financing the different types of assets it leases over different terms and different ranges of values. Majority of the leases are present in the Oman and accordingly no adjustment for the economic environment was deemed required.

- ii) Key assumptions made concerning the future and other key sources of estimation uncertainty at the year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected:

Carrying values of property, plant and equipment

The useful lives and residual values of property, plant and equipment are estimated based on intended use of assets and their economic lives. Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, in order to assess their likely realization proceeds, technological changes, age, likely obsolescence, the rate at which the materials are being sold and the physical damage. Based on the assessment, assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

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

2.7 ADOPTION OF REVISED AND NEW IFRSs

- i) In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The Company has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The Company has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.7 ADOPTION OF REVISED AND NEW IFRSs (CONTINUED)

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants

The Company has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

The Company has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

- ii) At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IAS 21	Lack of Exchangeability
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2.7 ADOPTION OF REVISED AND NEW IFRSs (CONTINUED)

The management does not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods, except if indicated below.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The management anticipates that the application of above amendment may have an impact on the Company's financial statements especially the presentation of statement of comprehensive income in future periods.

2.8 COMPARATIVE FIGURES

Certain comparative figures of the previous year have been either regrouped or reclassified, wherever necessary, in order to confirm with the presentation adopted in the current year's financial statements. Such regroupings or reclassifications did not affect previously reported net loss or equity funds.

2.9 FIGURES ARE ROUNDED OFF TO THE NEAREST RIALS OMANI



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Motor vehicles	Furniture and fixtures	Leasehold improvements	Office equipments	Total
	RO.	RO.	RO.	RO.	RO.	RO.
Cost						
At 14 June 2023	-	-	-	-	-	-
Additions	68,267	-	-	-	1,156	69,423
At 31 March 2024	68,267	-	-	-	1,156	69,423
Additions	1,055,316	115,152	79,477	407,856	3,197	1,660,998
At 31 March 2025	1,123,583	115,152	79,477	407,856	4,353	1,730,421

Depreciation

At 14 June 2023	-	-	-	-	-	-
Charge for the period	2,605	-	-	-	231	2,836
At 31 March 2024	2,605	-	-	-	231	2,836
Charge for the year	31,121	6,934	6,031	254	518	44,858
At 31 March 2025	33,726	6,934	6,031	254	749	47,694

Written down value

At 31 March 2025	1,089,857	108,218	73,446	407,602	3,604	1,682,727
At 31 March 2024	65,662	-	-	-	925	66,587

The depreciation charge for the year has been dealt within the statement of comprehensive income as follows:

Particulars	2024-25 RO.	2023-24 RO.
Cost of revenue (Note 14)	31,375	2,605
Indirect depreciation	13,483	231
TOTAL	44,858	2,836



FELIX INDUSTRIES L.L.C.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

4. CAPITAL WORK IN PROGRESS	31.03.2025 R.O.	31.03.2024 R.O.
Opening balance	-	-
Additions during the year	23,075	-
Closing balance	23,075	-
5. LEASEHOLD RIGHTS		
As at 01 April	-	-
Additions during the year	500,000	-
As at 31 March	500,000	-
6. LEASES		
At the end of the reporting period, the leasing arrangements entered into by the Company as a lessee are as follows:		
Leasing arrangements for a plot of land for factory at Samail Industrial Estate. These arrangements expire in 2038.		
i) The movement in the right-of-use assets (ROU) during the year is as follows:		
Opening balance	-	-
Additions during the year	169,459	-
Amortization for the year (Note 14)	(21,182)	-
Closing balance	148,277	-
ii) The movement in lease liabilities during year is as follows:		
Opening balance	-	-
Additions during the year	169,459	-
Interest expense (Note 17)	20,152	-
Lease payments	(28,429)	-
Closing balance	161,182	-
Lease liability is classified as follows:		
Current liability	5,536	-
Non-current liability	155,646	-
TOTAL	161,182	-
iii) Interest on lease liability and amortisation of ROU assets are dealt as follows:		
Expensed as finance cost (Note 17)	20,152	-
Expensed as cost of revenue (note 14)	21,182	-
TOTAL	41,334	-
7. TRADE RECEIVABLES		
Trade receivables	56,762	174,646
Less: Provision for expected credit losses (ECL)	(10,532)	-
TOTAL	46,230	174,646



FELIX INDUSTRIES L.L.C.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

7. TRADE RECEIVABLES (CONTINUED)

i) The following table provides information about the ageing profile for trade receivables as at the year end.

	31.03.2025 R.O.	31.03.2024 R.O.
Debts up to 3 months	40,572	174,646
Due between 3 months to 1 year	11,815	-
Debts more than 1 year	4,375	-
TOTAL	56,762	174,646

ii) The Company is exposed to a significant concentration of credit risk as out of the total receivables amounting to RO. 57,072 /-, the top three customers account for 81% of total trade receivables.

8. OTHER CURRENT ASSETS

Financial assets

Advances and prepayments

Deposits

Non-financial assets

Advance to suppliers

TOTAL

100	117,003
3,650	-
17,713	-
21,463	117,003

9. CASH AND CASH EQUIVALENTS

Cash on hand

Cash at bank - current account

TOTAL

8,801	19,918
188	18,305
8,989	38,223

The current account balances are carried with reputed banks in Sultanate of Oman and are non-interest bearing.

10. SHARE CAPITAL

The registered and paid-up share capital of the Company is RO. 1,750,000/- which comprises of 1,750,000 shares of RO.1/- each. The shareholders of the Company and the percentage (%) of the shareholding were as follows:

Name	Nationality / Country of incorporation	Holding (%)	31.03.2025 R.O.	Holding (%)	31.03.2024 R.O.
Felix Industries Ltd	India	76.50%	1,338,750	55.00%	137,500
Mr. Khaja Fouzan Mohammed Ismail	Indian	22.50%	393,750	22.50%	56,250
Mr. Khalid Ali Zahir Seleman Al Busaidi	Omani	1.00%	17,500	0.00%	-
Mr. Husni Mubarak Saif Al Abri	Omani	0.00%	-	22.50%	56,250
TOTAL		100.00%	1,750,000	100.00%	250,000

11. LEASE FINANCE

Muscat Finance S.A.O.G

Less: deferred interest

TOTAL

Current liability

Non-current liability

TOTAL

44,015	-
(7,183)	-
36,832	-
12,510	-
24,322	-
36,832	-



FELIX INDUSTRIES L.L.C.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

12	TRADE AND OTHER PAYABLES	31.03.2025	31.03.2024
		R.O.	R.O.
	Trade payables	1,933	153,620
	Accrued expenses	52,247	3,450
	VAT payable	2,587	6,274
	TOTAL	56,767	163,344
Trade payables are generally settled within 60 to 90 days of the suppliers' invoice date. The carrying amounts of trade and other payable approximate their fair values due to the short-term nature of these payables.			
13	REVENUE	2024-25	2023-24
		RO.	RO.
	Revenue from operations	240,786	262,307
	TOTAL	240,786	262,307
The Company recognizes revenue from the transfer of goods at a point in time. The disaggregated revenue from contracts with customers by geographical segments, type of goods & services and sales & service channels are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.			
i)	Primary geographical segments		
	Sultanate of Oman	130,566	203,639
	Other countries	110,220	58,668
	Total	240,786	262,307
ii)	Major product lines		
	Sale of metal and non-metal waste, scrap and materials for recycling.	133,337	234,756
	Total	133,337	234,756
iii)	Major service lines		
	Disposal and treatment of hazardous waste	7,589	-
	Medical waste processing charges	3,964	27,551
	Transportation and disposal	62,256	-
	Other services	33,641	-
	Total	107,450	27,551
iv)	Timing of revenue recognition		
	At a point in time	240,786	262,307
	Total	240,786	262,307
14	COST OF REVENUE		
	Opening inventories	73,688	-
	Purchases	75,609	91,302
	Direct expenses	32,564	32,298
	Amortization of right of use asset (Note 6(i))	21,182	-
	Direct depreciation (Note 3(i))	31,375	2,605
	Less: closing inventories	(80,372)	(73,688)
	TOTAL	154,046	52,517



FELIX INDUSTRIES L.L.C.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

15 OTHER INCOMES	2024-25	2023-24
	RO.	RO.
Other miscellaneous income	9,015	6
Excess provision written back	111,767	-
Sale of scrap items	20,814	700
TOTAL	141,596	706

16 GENERAL AND ADMINISTRATIVE EXPENSES	2024-25	2023-24
Staff costs and related expenses	62,258	86,041
Rent expenses	4,355	37,000
Registration and renewal expenses	832	146
Legal and professional charges	10,035	-
Office expenses	17,423	21,100
Fuel expenses	9,097	751
Utilities	5,543	3,623
Repairs and maintenance expenses	17,284	1,717
Travelling expenses	567	1,133
Insurance expenses	381	-
TOTAL	127,775	151,511

17 FINANCE COSTS	2024-25	2023-24
Interest and bank charges	2,722	1,951
Interest on lease liability	20,152	-
TOTAL	22,874	1,951

18 RELATED PARTIES

The Company enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard 24: Related Party Disclosures. The management considers such transactions to be in the normal course of business. Related parties comprise companies under common ownership and/or common management control and members. These transactions are entered into on "arm's length" terms. The balances due from and due to related parties have been disclosed separately in the statement of financial position.

i) Amounts due to a related party	31.03.2024	31.03.2023
	RO.	RO.
M/s. Al Mohtasham Trad. & Cont. LLC	1,094,272	-
TOTAL	1,094,272	-

Amounts due to related parties are unsecured, interest free and repayable on demand.

ii) Members' current account	2024-25	2023-24
M/s. Felix Industries Ltd	133,570	-
Khaja Fouzan Mohammed Ismail	547,325	-
Khalid Ali Zahir Seleman Al Busaidi	17,500	-
TOTAL	698,395	-

19 TAXATION	2024-25	2023-24
i) The taxation per the statement of comprehensive income comprises:		
Income tax payable - previous years	5,507	-
Deferred tax expense	11,064	-
TOTAL	16,571	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

19 TAXATION (CONTINUED)

ii) The reconciliation of taxation on the accounting profit with current taxation charge for the year is as follows:

	31.03.2025 R.O.	31.03.2024 R.O.
Accounting profit for the year before tax	53,672	-
Add/less adjustments per tax law		
Depreciation adjustment based on rates and methodology as per tax law	(420,174)	-
Allowance for expected credit losses (ECL)	10,532	-
Lease adjustments as per IFRS 16	12,905	-
Taxable loss for the year	(343,065)	-
Tax @ 15% on the taxable income	-	-

iii) Deferred income tax is calculated on all temporary differences under the balance sheet liability method using a tax rate of 15%. The deferred tax asset/liability in the statement of financial position and the deferred tax credit/debit to statement of comprehensive income for the year is attributable to the following item:

Deferred tax liability

Balance as on 01 January

Timing differences:

Accelerated tax depreciation

Unabsorbed business losses

Provision for expected credit losses (ECL)

Lease payments (Net)

Total timing difference

Balance as on 31 December (at 15% on timing difference)

Net movement in deferred tax

	-	-
	(440,265)	-
	343,065	-
	10,532	-
	12,905	-
	(73,763)	-
	(11,064)	-
	(11,064)	-

20 FINANCIAL RISK MANAGEMENT AND INSTRUMENTS

Financial instruments carried on the statement of financial position comprise cash at bank and in hand, trade receivables and other current (financial) assets, lease finance, trade and other payables and amount due to a related party.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed. The primary risks to which the business is exposed comprise credit, exchange rate, liquidity and profit rate risks.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up. As part of the company's credit risk management, where it is considered necessary, such receivables are covered by letters of credit or bank guarantees in favor of the company, issued by reputed financial institutions.

The Company buys and sells goods and services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US dollars to which the Rials Omani is pegged.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

Exposures to the aforementioned risks are detailed below:



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

20 FINANCIAL RISK MANAGEMENT AND INSTRUMENTS (CONTINUED)

a) Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange 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.

i) Currency rate risk

Currency rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates.

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (Rials Omani) or currency fixed against Rials Omani.

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

ii) Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing liabilities. The management manages the interest rate risk by obtaining the financing facilities at the most competitive rates and monitoring changes in interest rates on a periodic basis.

The Company is not exposed to price risk related to quoted investments as it holds no such investments.

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, trade and other financial receivables. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade receivables is subjected to credit evolutions and an allowance is made for expected credit loss as per IFRS 9.

c) Liquidity risk

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

The Company limits its liquidity risk by ensuring that adequate bank facilities are available to enable it to meet its obligations as they fall due for payment. The maturity analysis of the company's financial liabilities as at the year end is given below:

As at 31 March 2025	Less than 1 year RO.	1 year to 5 years RO.	More than 5 years RO.	Total RO.
Financial liabilities				
Due to a related party	1,094,272	-	-	1,094,272
Trade and other payables	56,767	-	-	56,767
Finance lease	12,510	24,322	-	36,832
Lease liabilities	5,536	27,950	127,696	161,182
Current tax payable	5,507	-	-	5,507
TOTAL	1,174,592	52,272	127,696	1,354,560

As at 31 March 2024

Financial liabilities

Trade and other payables	163,344	-	-	163,344
TOTAL	163,344	-	-	163,344



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

21 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to ensure that the company continues as a going concern, maintains an optimal capital structure to reduce the cost of capital, and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed. Capital comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

22 EVENTS OCCURRED AFTER THE REPORTING DATE

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

23. CONTINGENCIES

At 31 March 2025, the Company had no contingent liabilities (31.03.2023: Nil) in respect of bank guarantees given in the normal course of business.

