ELECTROSTEEL BAHRAIN HOLDING W.L.L

CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2025

Shareholder	:	Electrosteel Castings Limited
Office	:	Building 966 Road 5218, Block 952 Ras Zuwayed, Kingdom of Bahrain Telephone: 77322288
Banker	:	Standard Chartered Bank
Auditors	:	KPMG Fakhro

Electrosteel Bahrain Holding W.L.L

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2025

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REPORT OF THE BOARD OF DIRECTORS
For the year ended 31 March 2025 Bahraini Dinars

We have pleasure in presenting the audited consolidated financial statements of Electrosteel Bahrain Holding W.L.L. (the “Company”) and its subsidiary (together “the Group) for the year ended 31 March 2025 as set out on pages 4 to 29.

Financial highlights	2025	2024
Revenue	**9,357,127**	6,643,138
Gross profit	**2,241,468**	1,406,759
Profit for the year	**426,433**	298,336
Total assets	**5,933,717**	4,618,685
Total equity	**2,179,549**	1,753,116

Representations and audit
The Group's activities for the year ended 31 March 2025 have been conducted in accordance with the Commercial Companies Law 2001 (as amended) and other relevant statutes of the Kingdom of Bahrain.

There have been no events subsequent to 31 March 2025, which would in invalidate the consolidated financial statements as set out on pages 4 to 29.

The Group has maintained proper, complete accounting records and these, together with all other information and explanations have been made freely available to the auditors, KPMG Fakhro.

On behalf of the board of directors:

Awadh Shukla

Awadh Prakash Shukla
Director

Bgarwal.

Shivendra Nath Agarwal
Director

26 April 2025

KPMG Fakhro
Audit
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CR No. 6220 - 2

Independent auditors' report

To the Shareholder of
Electrosteel Bahrain Holding W.L.L
Ras Zuwayed, Kingdom of Bahrain

Opinion

We have audited the consolidated financial statements of Electrosteel Bahrain Holding W.L.L. (the "Company") and its subsidiary (together "the Group), which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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

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 Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group 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 consolidated financial statements in the Kingdom of Bahrain, 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 Information

The board of directors is responsible for the other information. The other information obtained at the date of this auditors' report is the Director's report set out on page 1.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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 Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group'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 the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent auditors' report (continued)
Electrosteel Bahrain Holding W.L.L

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

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

– Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
– Conclude on the appropriateness of the Board of Directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
– Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with the board of directors 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.

Report on Other Regulatory Requirements

As required by the Commercial Companies Law 2001 (as amended), we report that:

a) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
b) the financial information contained in the Director's report is consistent with the consolidated financial statements;
c) we are not aware of any violations during the year of the Commercial Companies Law 2001 (as amended) or the terms of the Company's Deed of Association that would have had a material adverse effect on the business of the Company or on its consolidated financial position; and
d) satisfactory explanations and information have been provided to us by management in response to all our requests.

KPMG

KPMG Fakhro
Auditor Registration Number 258
26 April 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025 Bahraini Dinars

	Note	2025	2024
ASSETS			
Non-current asset			
Property, plant and equipment	5	945,956	1,006,807
Total non-current asset		**945,956**	1,006,807
Current assets			
Inventories	6	3,316,902	2,086,711
Due from related parties	7 b)	5,871	526
Trade and other receivables	8	1,329,249	1,385,903
Cash and cash equivalents	9	335,739	138,738
Total current assets		**4,987,761**	3,611,878
Total assets		**5,933,717**	4,618,685
EQUITY AND LIABILITIES			
Equity			
Share capital	1	250,000	250,000
Statutory reserve		125,000	125,000
Retained earnings		1,804,549	1,378,116
Total equity (page 6)		**2,179,549**	1,753,116
Liabilities			
Non-current liabilities			
Provision for employees' leaving indemnities	10	13,168	9,222
Lease liabilities	11	388,636	431,977
Total non-current liabilities		**401,804**	441,199
Current liabilities			
Lease liabilities	11	101,566	74,522
Due to a related party	7 c)	2,879,383	1,751,763
Loan from a related party	7 d)	-	191,723
Short term loans	12	109,709	-
Trade and other payables	13	261,706	406,362
Total current liabilities		**3,352,364**	2,424,370
Total liabilities		**3,754,168**	2,865,569
Total equity and liabilities		**5,933,717**	4,618,685

The consolidated financial statements were approved by the board of directors on 26 April 2025 and signed on its behalf by:

Awadh Shukla

Awadh Prakash Shukla
Director

Sagarwal.

Shivendra Nath Agarwal
Director

The accompanying notes 1 to 24 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2025 Bahraini Dinars

	Note	**2025**	2024
REVENUE	14	**9,357,127**	6,643,138
Cost of sales	15	(7,115,659)	(5,236,379)
Gross profit		**2,241,468**	1,406,759
General and administrative expenses	16	(94,110)	(70,170)
Staff costs	17	(143,054)	(117,533)
Depreciation	5	(144,302)	(127,672)
Selling and distribution expenses	18	(1,388,623)	(786,600)
Reversal of impairment allowance on trade receivables	8	7,226	11,896
Finance cost	19	(76,882)	(58,827)
Other income	20	24,710	40,483
Profit for the year		**426,433**	298,336
Other comprehensive income		-	-
Total comprehensive income for the year		**426,433**	298,336

Awadh Shukla
Awadh Prakash Shukla
Director

Sgarwal.
Shivendra Nath Agarwal
Director

The accompanying notes 1 to 24 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2025 Bahraini Dinars

2025	**Share capital**	**Statutory reserve**	**Retained earnings**	**Total**
At 1 April 2024	250,000	125,000	1,378,116	1,753,116
Total comprehensive income for the year (page 5)	-	-	426,433	426,433
At 31 March 2025	**250,000**	**125,000**	**1,804,549**	**2,179,549**

2024	Share capital	Statutory reserve	Retained earnings	Total
At 1 April 2023	250,000	125,000	1,079,780	1,454,780
Total comprehensive income for the year (page 5)	-	-	298,336	298,336
At 31 March 2024	250,000	125,000	1,378,116	1,753,116

The accompanying notes 1 to 24 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2025 Bahraini Dinars

	Note	2025	2024
OPERATING ACTIVITIES			
Receipts from customers		9,836,313	6,255,120
Payments to suppliers		(7,368,231)	(5,307,351)
Payments for operating expenses		(1,927,438)	(969,580)
Other receipts		24,710	40,483
Net cash generated from operating activities		**565,354**	18,672
INVESTING ACTIVITY			
Payment for acquisition of property, plant and equipment	5	(19,768)	(67,608)
Net cash used in investing activity		**(19,768)**	(67,608)
FINANCING ACTIVITIES			
Principal payments of lease liabilities		(79,980)	(69,389)
Vehicle loan repaid during the year		-	(1,465)
Loans (repaid) to / availed from a related party	7 a)	(191,723)	191,723
Finance cost paid	19	(76,882)	(30,983)
Net cash (used in) / from financing activities		**(348,585)**	89,886
Net increase in cash and cash equivalents during the year		**197,001**	40,950
Cash and cash equivalents at the beginning of the year		138,738	97,788
Cash and cash equivalents at the end of the year	9	**335,739**	138,738

The accompanying notes 1 to 24 are an integral part of these consolidated financial statements.

1 REPORTING ENTITY

Electrosteel Bahrain Holding W.L.L (the "Company") is a with limited liability company ("W.L.L") registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain under commercial registration number 92991-1 obtained on 17 March 2015.

The consolidated financial statements comprise the Company and its subsidiary (together referred to as the "Group" and individually as the "Company").

The Company's authorised, issued and fully paid up share capital of BD 250,000 comprising of 2,500 shares of BD 100 each and is held by Electrosteel Casting Limited, India (the "Parent company").

The Company is engaged in activities of holding companies.

Subsidiary

Electrosteel Bahrain Trading W.L.L
Electrosteel Bahrain Trading W.L.L is a limited liability company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain under commercial registration number 95221-1 obtained on 12 October 2015. Electrosteel Bahrain Trading W.L.L is engaged in import, export and sales of ductile iron pipes, fittings and accessories for water transmission.

The financial statements of Electrosteel Bahrain Holding W.L.L and Electrosteel Bahrain Trading W.L.L as at the reporting date are consolidated as per IFRS 10. Under IFRS 10, an entity must consolidate an entity, where in substance it controls the entity. Electrosteel Bahrain Trading W.L.L became the subsidiary of the Company by way of an agreement dated 1 May 2015.

2 BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

b) Basis of measurement

The consolidated financial statements have been drawn up from the accounting records of the Group maintained under the historical cost convention.

c) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Bahraini Dinars ("BD"), which is the Group's functional and presentation currency. All financial information presented in the consolidated financial statements has been rounded-off to the nearest Bahraini Dinars.

d) Principles of consolidation

(i) Subsidiary
The consolidated financial statements include subsidiaries that are controlled by the Group. Control is presumed to exist where more than one half of the subsidiary's voting power is controlled by the Group, or the Group is able to govern the financial and operating policies of subsidiary, or control the removal or appointment of a majority of a subsidiary's board of directors. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

2 BASIS OF PREPARATION (continued)

(ii) Transactions eliminated on consolidation

Intra-Group balances and transactions, and any recognised gains and losses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with subsidiary are eliminated against the investment in subsidiary. Unrealised losses are eliminated in the same way as recognised gains, but only to the extent that there is no evidence of impairment.

d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 4.

e) New standards, amendments and interpretations effective from 1 April 2024

The following amendments and interpretations that became effective as of 1 April 2024 and are relevant to the Group:

Non-current liabilities with Covenants – Amendments to IAS1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1

Under the amendments to IAS 1 Presentation of Financial Statements the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, Group may need to provide new disclosures for liabilities subject to covenants.

- Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.

- A Group will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. This right may be subject to a Group complying with conditions (covenants) specified in a loan arrangement. Non-current liabilities that are subject to future covenants, Groups need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

f) New standards, amendments and interpretations issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2024 and earlier application is permitted; however; the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new standards, amendments and interpretations to standards that are relevant to the Group and the Group is in the process of assessing the impact on its consolidated financial statements.

- Classification and measurement of Financial Instruments – Amendments to IFRS 9 and IFRS7
- Annual Improvements to IFRS Accounting Standards – Volume 11
- IFRS 18 Presentation and Disclosure in Financial Statements

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements by the Group.

a) Property, plant and equipment

(i) Recognition and measurement
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of the assets includes the cost of bringing the asset to its present location and condition and the consideration paid for acquiring the assets.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

When an asset is sold or otherwise retired, the cost and related accumulated depreciation are removed from the accounts and any resultant gain or loss of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in the statement of profit or loss and other comprehensive income.

(ii) Subsequent measurement
Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is expensed in the statement of profit or loss and other comprehensive income as incurred.

(iii) Depreciation
Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives of the property, plant and equipment are as follows:

Asset categories	Estimated useful life in years
Right-of-use assets	Lease term
Building	15
Leasehold improvements	15
Plant and machineries	10 - 15
Computer	5
Motor vehicles	5
Electrical equipment	4
Furniture, fittings and tools	3 - 10

The residual values and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

3 MATERIAL ACCOUNTING POLICIES (continued)

b) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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 using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

3 MATERIAL ACCOUNTING POLICIES (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities as a separate line item in the statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Extension option
Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

c) Inventories

Inventories are carried at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. The cost of inventories is determined on weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Damaged, unusable items are excluded from inventories. Provision is made, where necessary, for non-moving items.

d) Financial instruments

Non-derivative financial instruments

The Group's non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, due from related parties, lease liabilities, due to a related party, short term loans and trade and other payables.

(i) Recognition and initial measurement
Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI or FVTPL

3 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the profit or loss.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities
Liabilities are recognised on an accrual basis for the amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

(iii) Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 MATERIAL ACCOUNTING POLICIES (continued)

(v) Impairment
The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, mainly trade receivables and bank balances.

The Group measures loss allowances on trade receivables at an amount equal to lifetime ECLs ("Simplified approach")

Loss allowances on bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12- month ECLs ("General approach")

When determining whether the credit risk of a financial asset has increased significantly since initial recognition when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the trade receivables is more than 180 days past due from the invoice date.

Lifetime ECL are the ECLs that result from all possible default events over the expected life of the financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

Trade receivables - (Simplified approach)
The Group uses the expected future cash flows based on historical loss rates to measure the ECLs of trade receivables from individual customers. Loss rates are calculated using the discounted cash flow method based on the probability of a receivable being collected over a period of two years or written off.

Discounted cash flows are calculated separately using expected cash flows after adjustment for historical performance. The expected cash flows includes forward looking adjustments. The Group uses the Group's average borrowing rate to discount the expected future cash flows. The model uses probability weighted scenarios when calculating expected credit losses.

Bank balances- (General approach)
Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties.

The Group assumes that the credit risk on bank balances has been increased significantly if it is more than 30 days past due.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

3 MATERIAL ACCOUNTING POLICIES (continued)

- significant financial difficulty of the customer or issuer;
- a breach of contract such as a default or being more than 180 days past due from the invoicing date;
- the restructuring of a trade receivables by the Group on terms that the Group would not consider otherwise;
- it is probable that the customer will enter bankruptcy or other financial reorganisation; or

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks.

f) Statutory reserve

The Commercial Companies Law 2001 (as amended) requires 10 percent of the profit for the year to be transferred to a statutory reserve, which is not normally distributable except in the circumstances stipulated in the Commercial Companies Law 2001 (as amended). Such transfers may cease once the reserve reaches 50 percent of share capital.

g) Employees' benefits

Short-term employee benefits are recognised in the statement of profit or loss and other comprehensive income on an accrual basis.

Pensions and other social Benefits for Bahraini employees are covered by the Social Insurance Organisation ("SIO") scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's contribution to this scheme, which represents a defined contribution scheme, is expensed as incurred.

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law for the Private Sector, based on length of service and final remuneration. The provision for this unfunded commitment which represents a defined benefit plan, is made by calculating the notional liability had all employees left at the reporting date. Effective 1 March 2024, all Bahrain based employers are required to make monthly contributions in relation to the expatriate indemnity to SIO, who would be responsible to settle leaving indemnities for expatriates at the time of end of service. Any indemnity liability prior to 1 March 2024 and pending transfer to the SIO in subsequent periods remains the obligation of the Group.

h) Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3 MATERIAL ACCOUNTING POLICIES (continued)

i) Revenue recognition

Revenue from sale of products is recognised at a point in time when customer obtains control over goods. Customer obtains control when the goods are delivered and have been accepted by customers.

j) Foreign currency transactions and balances

Transactions in foreign currencies are translated to Bahraini Dinars at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Bahraini dinars at the foreign exchange rate ruling at that date. All foreign exchange differences arising on conversion and translation are recognised in the statement of profit or loss and other comprehensive income.

k) Finance cost

Finance cost is recognised as expenses in the statement of profit or loss and other comprehensive income in the period in which they are incurred on effective interest method.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Useful life of property, plant and equipment

The Group reviews the useful life of the property, plant and equipment at each reporting date to determine whether an adjustment to the useful life is required. The useful life is estimated based on the similar assets of the industry, and future economic benefit expectations of the management.

b) Inputs and assumptions used in the measurement of right-of-use assets and lease liabilities

Refer note 3 (b).

c) Write down of inventories to net realisable value

The Group reviews the carrying amounts of inventories at each reporting date to determine whether the inventories need to be written down to net realisable value. The Group identifies the inventories which have to be written down based on the evaluation of age of the inventory and their estimate of their future consumption. If inventories are assessed for write down, they are charged to the profit or loss and other comprehensive income.

d) Provision for expected credit losses on financial instruments

Please refer to note 3 (d) (v).

5 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets	Building	Leasehold improvements	Plant and machineries	Computer	Motor vehicles	Electrical equipment	Furniture, fittings and tools	2025 Total
Cost									
At 1 April 2024	757,882	281,462	243,861	172,032	19,485	12,838	3,881	32,939	1,524,380
Additions	63,683	8,025	-	390	596	5,455	182	5,120	83,451
At 31 March 2025	**821,565**	**289,487**	**243,861**	**172,422**	**20,081**	**18,293**	**4,063**	**38,059**	**1,607,831**
Depreciation									
At 1 April 2024	315,842	42,182	69,750	51,376	15,415	7,905	2,527	12,576	517,573
Charge for the year	81,474	19,077	23,950	10,718	1,228	2,201	513	5,141	144,302
At 31 March 2025	**397,316**	**61,259**	**93,700**	**62,094**	**16,643**	**10,106**	**3,040**	**17,717**	**661,875**
Net book value at the end of the year	**424,249**	**228,228**	**150,161**	**110,328**	**3,438**	**8,187**	**1,023**	**20,342**	**945,956**

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	Right-of-use assets	Building	Leasehold improvements	Plant and machineries	Computer	Motor vehicles	Electrical equipment	Furniture, fittings and tools	2024 Total
Cost									
At 1 April 2023	757,882	281,462	196,004	169,379	19,485	12,838	3,656	16,066	1,456,772
Additions	-	-	47,857	2,653	-	-	225	16,873	67,608
At 31 March 2024	757,882	281,462	243,861	172,032	19,485	12,838	3,881	32,939	1,524,380
Depreciation									
At 1 April 2023	237,906	23,377	55,624	40,722	14,257	6,357	2,094	9,564	389,901
Charge for the year	77,936	18,805	14,126	10,654	1,158	1,548	433	3,012	127,672
At 31 March 2024	315,842	42,182	69,750	51,376	15,415	7,905	2,527	12,576	517,573
Net book value at the end of the year	442,040	239,280	174,111	120,656	4,070	4,933	1,354	20,363	1,006,807

6 INVENTORIES

	2025	2024
Pipes	1,711,133	1,084,598
Fittings and accessories	493,362	299,816
Consumable materials	30,129	19,631
	2,234,624	1,404,045
Goods in transit	1,082,278	682,666
	3,316,902	2,086,711

7 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These comprise transactions with the shareholders of the Group, directors and such other entities in which they have significant influence or control. The Group enters into transactions with related parties at agreed terms. Related parties comprise the Parent Company and companies under common control.

a) Significant transactions with related parties	**2025**	2024
Purchases from related parties	**7,686,545**	4,739,768
Sales to related parties	**31,969**	6,301
Professional fee	**11,400**	11,400
Expenses incurred by the related party on behalf of the Group	**2,855**	-
Loan (repaid) to / availed from a related party	**(191,723)**	188,000
Interest on loan from a related party	**1,442**	3,723

b) Due from related parties	***Relationship***	**2025**	2024
Electrosteel Castings Limited, UK	*Under common control*	5,871	-
Electrosteel Doha Trading LLC	*Under common control*	-	526
		5,871	526

c) Due to a related party	***Relationship***	**2025**	2024
Electrosteel Castings LTD, India	*Parent company*	2,879,383	1,751,763
		2,879,383	1,751,763

d) Loan from a related party	**2025**	2024
Electrosteel Castings Gulf FZE	-	191,723
	-	191,723

On 23 August 2023, the Group had obtained loan from a related party under common control, Electrosteel Castings Gulf FZE amounting to BD 188,000 and bearing interest of 3.5% per annum for working capital requirements. The loan was settled in current year.

7 RELATED PARTIES (continued)

e) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel are the directors of the Group and the compensation paid to them during the year was BD 28,620 (2024: 27,290).

8 TRADE AND OTHER RECEIVABLES

	2025	2024
Trade receivables	902,278	1,271,755
Less: Impairment allowance on trade receivables	(3,467)	(10,693)
	898,811	1,261,062
Value added tax, net	320,727	30,549
Deposit	88,280	87,240
Advances paid to suppliers	17,887	1,174
Prepayments	1,373	1,478
Others	2,171	4,400
	1,329,249	1,385,903

The movement in impairment allowance on trade receivables during the year was as follows:

	2025	2024
At 1 April	10,693	22,589
Reversal during the year	(7,226)	(11,896)
At 31 March	**3,467**	10,693

9 CASH AND CASH EQUIVALENTS

	2025	2024
Cash in hand	922	408
Bank balances	334,817	138,330
	335,739	138,738

10 PROVISION FOR EMPLOYEES' LEAVING INDEMNITIES

	2025	2024
At 1 April	9,222	6,927
Charge for the year (note 17)	8,270	2,690
Less: Transferred to SIO* during the year	(4,324)	(395)
At 31 March	**13,168**	9,222

10 PROVISION FOR EMPLOYEES' LEAVING INDEMNITIES (continued)

* As per the changes in end-of-service benefits system for expatriate employees introduced by SIO effective from 1 March 2024, employers are required to pay the monthly end-of-service contributions electronically through the SIO portal in relation to the expatriate employees. SIO would be responsible to settle leaving indemnities for expatriate employees at the time of end of service. Any indemnity liability prior to 1 March 2024 and pending transfer to the SIO in subsequent periods remains the obligation of the Group.

Total number of employees at 31 March:

	2025	2024
Bahrainis	2	3
Expatriates	17	11
	19	14

11 LEASES

a) Amounts recognised in the statement of financial position.

(i) Right of use asset of lease for leases amounted to BD 424,249 (2024: BD 442,040) (note 5).

(ii) Lease liabilities

	2025	2024
At 1 April	506,499	575,888
Additions during the year	63,683	-
Finance costs	23,904	27,219
Principal payments during the year	(103,884)	(96,608)
At 31 March	**490,202**	506,499

	2025	2024
Non-current portion of lease liabilities	388,636	431,977
Current portion of lease liabilities	101,566	74,522
At 31 March	**490,202**	506,499

b) Amounts recognised in the consolidated profit or loss and other comprehensive income	**2025**	2024
Depreciation charge on right-of-use assets (note 5)	**81,474**	77,936
Interest expense (note 19)	**23,904**	27,219
Rent (note 16)	**659**	8,400

The total cash outflow for leases in 2025 was BD 103,884 (2024: BD 96,608).

General Information
The Group engages in leasing activities primarily for office use and storage of inventory items. The significant judgments made in determining lease arrangements include the assessment of lease term, purchase options, and residual value guarantees.

The weighted average discount rate applied to lease liabilities is 5%.

12 SHORT TERM LOANS

Short term loans pertains to bills discounted with bank for the invoices that are not due for payment as on the reporting date carrying an interest rate of 4.5% to 5.8% p.a.

13 TRADE AND OTHER PAYABLES

	2025	2024
Trade payables	155,324	107,167
Advances received from customers	85,748	283,387
Accrued expenses and other payables	20,634	15,808
	261,706	406,362

14 REVENUE

	2025	2024
Pipes	7,778,551	5,319,709
Fittings and accessories	1,578,576	1,323,429
	9,357,127	6,643,138

15 COST OF SALES

	2025	2024
Pipes	6,288,754	4,567,527
Fittings and accessories	826,905	668,852
	7,115,659	5,236,379

16 GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Legal and professional fees	34,242	8,073
Sponsorship fee	11,400	11,400
Forklift expenses	10,795	6,716
Electricity and water charges	10,122	10,583
Travelling expenses	9,574	7,073
Repairs and maintenance	8,695	7,788
Office expenses	6,346	7,889
Rent	659	8,400
Other expenses	2,277	2,248
	94,110	70,170

17 STAFF COSTS

	2025	2024
Salaries and related costs	94,919	78,657
Accommodation	18,288	13,421
Transportation	3,840	4,235
Leave salary	6,765	6,573
Social insurance	6,102	5,542
End of service benefits (note 10)	8,270	2,690
Other expenses	4,870	6,415
	143,054	117,533

18 SELLING AND DISTRIBUTION EXPENSES

	2025	2024
Transportation and customs charges	1,191,438	648,511
Retainers fee	50,000	42,500
Contract manpower charges	60,871	34,746
Packing materials	61,342	45,129
Other expenses	24,972	15,714
	1,388,623	786,600

19 FINANCE COST

	2025	2024
Finance cost on lease liabilities	23,904	27,219
Bank charges	27,833	27,844
Finance cost on short term loans	25,145	3,764
	76,882	58,827

20 OTHER INCOME

	2025	2024
Scrap sales	1,164	1,307
Other income	23,546	39,176
	24,710	40,483

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group’s financial assets and financial liabilities are classified under amortised cost.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk, and
- Market risk.

This note presents information about the Group’s exposure to each of the above risks, the Group ’s objectives, policies and processes for measuring and managing risk, and the Group ’s management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The accounting policies for financial assets and financial liabilities are described in note 3.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's bank balances and receivables from customers.

(i) The Group limits its exposure to credit risk on bank balances by maintaining balances with banks where the external credit ratings are high. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The Group has assessed impairment on cash and cash equivalents based on the 12-month expected loss and has concluded that there is no significant impact due to impairment of cash and bank balances.

(ii) The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However the management also considers the factors that may influence the credit risk of its customers base, including the default risk associated with the industry and country in which customers operate.

The creditworthiness of each customer is evaluated prior to sanctioning of credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk.

The maximum exposure to credit risk at the reporting date was:

	2025	2024
Trade and other receivables (excluding prepayments and advances to suppliers)	989,262	1,352,702
Bank balances	334,817	138,330
Due from related parties	5,871	526
	1,329,950	1,491,558

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Trade receivables

Expected credit loss assessment for individual customers

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers.

2025	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**
Current	845,449	955	No
1 to 60 days	55,341	1,024	No
More than 181 days	1,488	1,488	Yes
	902,278	**3,467**	

2024	Gross carrying amount	Impairment loss allowance	Credit-impaired
Current	992,803	1,246	No
1 to 60 days	75,653	2,659	No
More than 365 days	203,300	6,788	Yes
	1,271,756	10,693	

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it 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 Group's reputation.

The following are the contractual maturities of financial liabilities:

2025	**Carrying amount**	**Contractual undiscounted cash flows**	**6 months or less**	**6 - 12 months**	**More than 12 months**
Lease liabilities	490,202	548,314	60,957	62,857	424,500
Due to a related party	2,879,383	2,879,383	2,879,383	-	-
Short term loans	109,709	111,945	111,945	-	-
Trade and other payables (excluding advances received from customers)	175,363	175,363	175,363	-	-
	3,654,657	**3,715,005**	**3,227,648**	**62,857**	**424,500**

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

2024	Carrying amount	Contractual undiscounted cash flows	6 months or less	6 - 12 months	More than 12 months
Lease liabilities	506,499	583,797	48,304	49,880	485,613
Due to a related party	1,751,763	1,751,763	1,751,763	-	-
Loan from a related party	191,723	194,580	194,580	-	-
Trade and other payables (excluding advances received from customers)	122,975	122,580	122,580	-	-
	2,572,960	2,652,720	2,117,227	49,880	485,613

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Group does not have any significant currency risk with respect to transactions in GCC currency and US Dollar as the Bahraini Dinar is effectively pegged to GCC currency and US Dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the Group 's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates.

The Group's exposure to interest rate risk is limited to loans from a related party and lease liabilities.

Effective interest rates are as follows:	**2025**	2024
Lease liabilities	**5%**	5%
Short term loans	**4.5% - 5.8%**	-

At the reporting date, the interest rate profiles of the Group's interest bearing financial instruments are as follows:

	2025	2024
Lease liabilities	**490,202**	506,499
Short term loans	**109,709**	-

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through the statement of profit or loss and other comprehensive income. Therefore, a change in interest rates at the reporting date would not affect the statement of profit or loss and other comprehensive income. Increase or decrease in equity resulting from variation in interest rates is not expected to be significant.

The Group is not exposed to significant interest rate risk on the loan from a shareholder as the interest rate is fixed for the period for which this loan is taken.

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(iii) Other market price risk

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

The Group is not exposed to any significant other market risk as at reporting date.

d) Capital management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to the other stakeholders. The board of directors monitor the return on capital.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

e) Fair values of financial instruments

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

The fair values of the Group's financial assets and financial liabilities are not materially different from their carrying values, due to their short-term nature.

22 COMPARATIVES

The previous year's figures have been regrouped wherever necessary in order to confirm to the current year is presentation. Such regrouping did not affect the previously reported total assets, total equity and profit or loss and other comprehensive income or equity.

23 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

2025	**Liability**				**Equity**	**Total**
	Lease liabilities	**Due to a related party**	**Short term loans**	**Loan from a related party**	**Retained earnings**	
Balance as of 1 April	**506,499**	**1,751,763**	**-**	**191,723**	**1,378,116**	**3,828,101**
Movement in lease liability	(79,980)	-	-	-	-	(79,980)
Movement in related parties	-	1,127,620	-	(191,723)	-	935,897
Total changes from financing cash flows	**(79,980)**	**1,127,620**	**-**	**(191,723)**	**-**	**855,917**
Liability and other related changes						
New lease	63,683	-	-	-	-	63,683
Other changes	-	-	109,709	-	-	109,709
Interest expense	23,904	-	-	-	-	23,904
Interest paid	(23,904)	-	-	-	-	(23,904)
Total liability and other related changes	**63,683**	**-**	**109,709**	**-**	**-**	**173,392**
Total equity-related other changes	**-**	**-**	**-**	**-**	**426,433**	**426,433**
Balance as of 31 March	**490,202**	**2,879,383**	**109,709**	**-**	**1,804,549**	**5,283,843**

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23 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES (continued)

2024	Liability				Equity	Total
	Lease liabilities	Vehicle loan	Due to a related party	Loan from a related party	Retained earnings	
Balance as of 1 April	575,888	1,506	1,973,547	-	1,079,780	3,630,721
Movement in lease liability	(69,389)	-	-	-	-	(69,389)
Movement in vehicle loan	-	(1,506)	-	-	-	(1,506)
Movement in related parties	-		(221,784)	188,000	-	(33,784)
Total changes from financing cash flows	(69,389)	(1,506)	(221,784)	188,000	-	(104,679)
Liability related changes						
Interest expense	27,219	41	-	3,723	-	30,983
Interest paid	(27,219)	(41)	-	-	-	(27,260)
Total liability related changes	-	-	-	3,723	-	3,723
Total equity- related other changes	-	-	-	-	298,336	298,336
Balance as of 31 March	506,499	-	1,751,763	191,723	1,378,116	3,828,101

24 DOMESTIC MINIMUM TOP-UP TAX (DMTT)

The multinational enterprise (MNE) group is subject to the OECD Global Anti-Base Erosion Pillar Two Model Rules (‘GloBE rules’) that apply to MNE groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Electrosteel Castings Limited (‘Ultimate Parent Entity’), MNE group, is domiciled and operates in India. The Kingdom of Bahrain which has issued and enacted Decree Law No. (11) of 2024 (‘Bahrain DMTT law’) on 1 September 2024 introducing a domestic minimum top-up tax (“DMTT”) of up to 15% on the taxable income of the Bahrain resident constituent entities of the MNE group for fiscal years commencing on or after 1 January 2025.

The Ultimate Parent Entity has assessed that it is in scope of the GloBE rules. The Group is the constituent entity of the MNE Group which is domiciled and operates in the Kingdom of Bahrain and therefore it is within the scope of the Bahrain DMTT law, effective 1 January 2025.

The Group is the designated filing constituent entity responsible for filing DMTT on behalf of the group entities operating in the Kingdom of Bahrain. The Group is currently preparing for compliance with the Bahrain DMTT law and GloBE rules. As at the reporting date, the management has not yet completed their assessment and estimation of the quantitative impact of the Bahrain DMTT law and GloBE rules.