Cochin Shipyard Limited

Annual Report
2025-26

Engineering India's
Maritime Ambitions

Future-focused
Innovation-led

Engineering India's Maritime Ambitions

Maritime strength has long been a cornerstone of economic resilience, strategic security and global connectivity. As India's maritime aspirations gather momentum, the need for world-class engineering, future-ready infrastructure and sustainable innovation has never been greater. Meeting these evolving expectations demands more than the ability to build vessels, it calls for the vision to create enduring capabilities that shape the future of the maritime ecosystem.

At Cochin Shipyard Limited, this philosophy defines the way we grow, innovate and create value. Through advanced shipbuilding and repair capabilities, pioneering green technologies, indigenous engineering expertise and continuous investments in modern infrastructure, we are strengthening the foundations of a globally competitive maritime industry. Every vessel delivered, every strategic collaboration forged and every technological milestone achieved reflects our commitment to enhancing national capabilities while responding to the changing needs of customers across defence, commercial and offshore sectors.

Our journey is guided by a long-term perspective, one that embraces innovation as a catalyst for progress, sustainability as a responsibility and operational excellence as a defining strength. As India's maritime landscape evolves, we remain committed to engineering solutions that not only support today's priorities but also enable the ambitions of tomorrow, creating lasting value for the nation, our stakeholders and the global maritime community.

Scan QR Code or click the link below to visit our website:
www.cochinshipyard.in

Inside the Report

Forward-looking Statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects and so on and are generally identified by forward-looking words such as 'believe', 'plan', 'anticipate', 'continue', 'estimate', 'expect', 'may', 'will' or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

About Us

Fortifying the Nation's Maritime Backbone

We, at Cochin Shipyard, have contributed to the maritime legacy for over five decades, emerging as one of India's leading shipbuilding and ship repair companies. Backed by our world-class and state-of-the-art infrastructure, our proficient and skilled workforce, we design, build, repair and upgrade a diverse range of vessels for defence, commercial and offshore sectors, at a robust scale, thereby, delivering complex projects that are precision-engineered and reliable.

Over the course of our trajectory, we have successfully delivered notable landmark projects, including India's first Indigenous Aircraft Carrier, Indian Naval Ship (INS) Vikrant, while exporting vessels to clients across Europe, North America and the Middle East. With global alliances and strategic partnerships with leading international maritime and technology companies, our global footprint is further strengthened, positioning us at the forefront of India's maritime sector. Moreover, we have pioneered sustainable solutions through hybrid and electric vessels, reaffirming our commitment to environmental stewardship.

As a Schedule A Central Public Sector Enterprise under the Ministry of Ports, Shipping and Waterways, we prioritise extensive research, indigenisation and seamless clean energy transition, thereby, supporting India's long-term maritime ambitions under **Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047.**

1972
Year of Incorporation

5
Dedicated Ship Repair Units

3
Business Verticals

IND AAA/Stable
CARE AAA/Stable
Credit Rating

2
Wholly-owned Subsidiaries

Certifications

- ISO 9001:2015
- ISO 14001:2015
- ISO 27001:2022
- ISO 45001:2018
- ISO 50001:2018
- GreenCo Gold

Our Vision

- Emerge as an internationally preferred shipyard to construct world-class Merchant and Naval ships, offshore vessels and structures.
- Be the market leader in India for ship repairs, including conversions and upgradation.
- To be admired for our achievements, respected for our ethics and trusted for our service excellence by our valued customers.

Our Mission

- To build and repair ships and offshore structures to international standards and provide value-added quality engineering services.
- Sustain corporate growth in competitive environment.
- To adopt and undertake practices towards becoming a responsible corporate citizen.

Our Objectives

- To sustain and enhance shipbuilding and ship repair activities through technology up-gradation and capacity augmentation.
- To continuously endeavour to expand/diversify activities of the shipyard including setting up new facilities.
- To carry out research and development in existing and emerging technologies in shipbuilding processes.
- To move towards international benchmarking, benchmark with the best shipbuilding standards followed in India.
- To motivate employees through improved specific training programmes.
- To adopt best practices for clean and safe environment.
- Ride the down time with aggressive bidding and secure orders to maximise capacity.
- To ensure positive customer-oriented initiatives.
- To build a responsible corporate citizen image through CSR and sustainability projects and compliance to corporate governance principles.

Key Highlights of FY 2025-26

Financial Highlights

₹5,022 Crs.
Total Turnover

₹5,873 Crs.
Net Worth

₹1,221 Crs.
EBITDA

24%
EBITDA Margin

₹717 Crs.
Profit After Tax

14%
PAT Margin

(Consolidated financials of the Company)

Sustainability Highlights

60–70%
Green Energy Target

65%
Surge In Solar Capacity Planned

₹15.54 Crs.
CSR Expenditure

5
Microalgae-Based 'Liquid Tree' Units Installed

Operational Highlights

10
Vessel orders secured from European region

India's first
Green Tug Programme Commenced

5
Vessels delivered to European region

3
Vessels launched on the same day

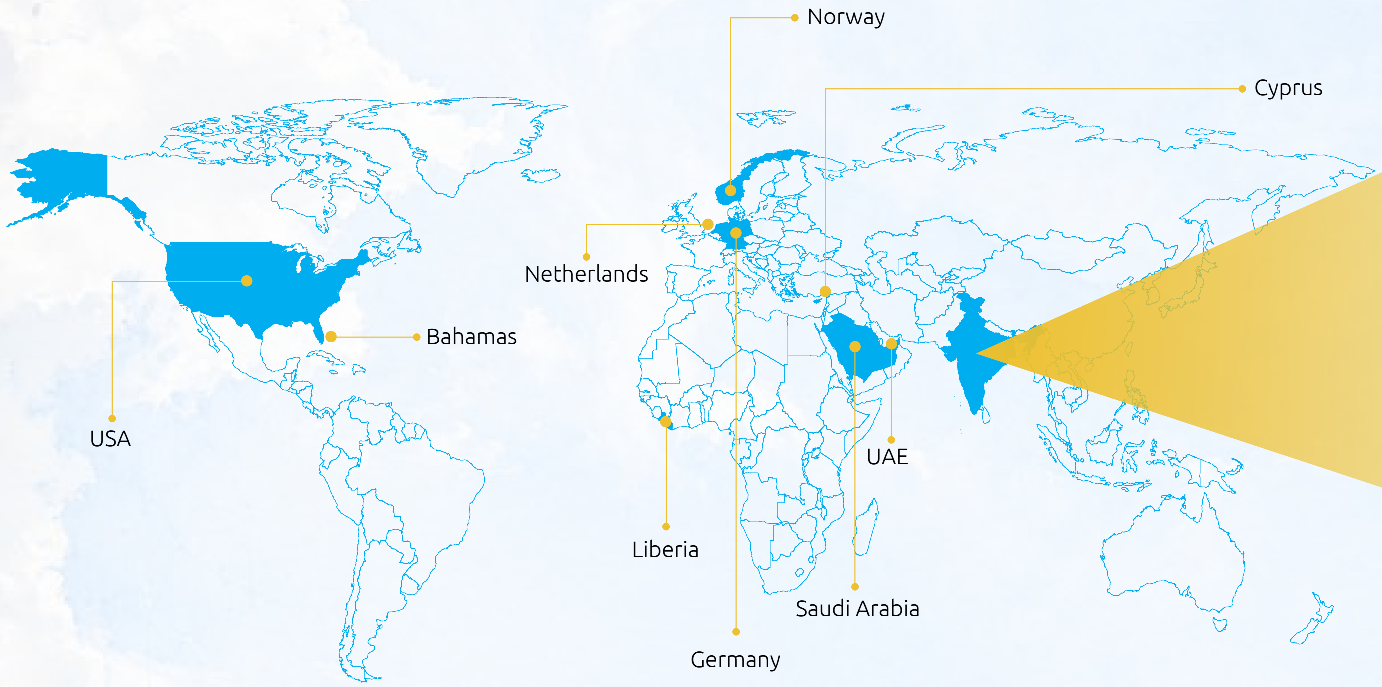
MoU with DDW, Dubai
For jointly developing world-class ship repair clusters at Kochi and Vadinar

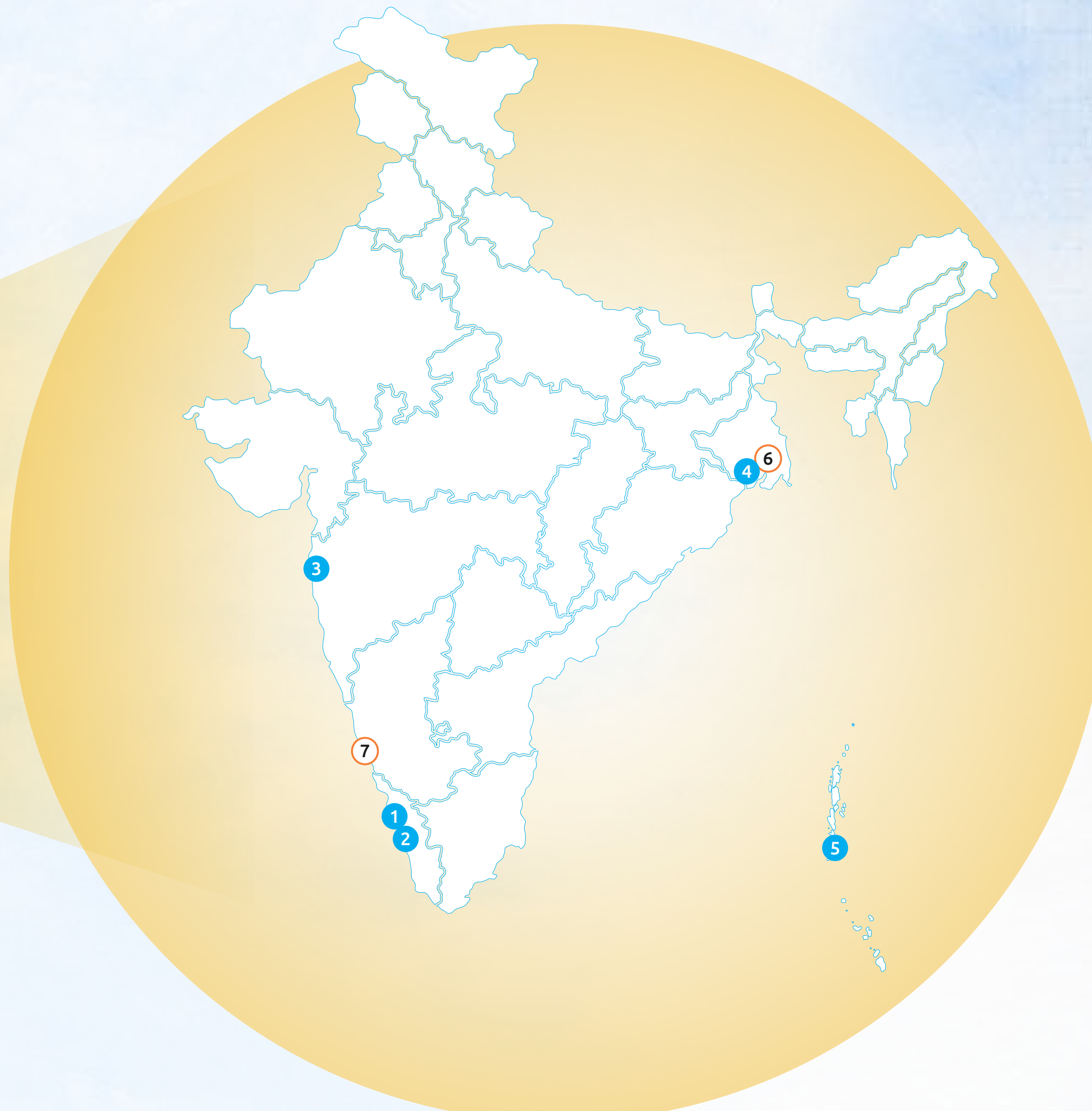
JV with HBL
For advancing electric mobility and energy storage technologies for the maritime industry

(Reported on a consolidated basis)

Our Geographic Footprint

Scaling for New Shores, Driving Impact





Export Countries*

Countries	Vessels Delivered
Saudi Arabia	9
Cyprus	8
Norway	10
Bahamas	6
Germany	5
Netherlands	4
United States of America (USA)	4
Liberia	4
United Arab Emirates (UAE)	2

Map not to scale, for representation purposes only.

Units

1	Kochi, Kerala	CSL Main Shipyard comprising three dry docks, including the new large dry dock inaugurated in January 2024.
2	Cochin Port, Kochi, Kerala	International Ship Repair Facility (ISRF), inaugurated in January 2024 to enhance the Company's ship repair capabilities.
3	Mumbai Port, Mumbai, Maharashtra	CSL Mumbai Ship Repair Unit (CMSRU), catering to ship repair and maintenance requirements on the western coast.
4	Syama Prasad Mookerjee Port, Kolkata, West Bengal	CSL Kolkata Ship Repair Unit (CKSRU), diversifying ship repair operations in Eastern India.
5	Marine Dockyard, Sri Vijaya Puram, Andaman & Nicobar Islands	CSL Andaman & Nicobar Ship Repair Unit (CANSRU), offering repair and maintenance services in the island territories.

Wholly Owned Subsidiaries

6	Howrah, West Bengal	Hooghly Cochin Shipyard Limited (Hooghly-CSL), a wholly owned subsidiary engaged in building high-quality inland and coastal vessels.
7	Udupi, Karnataka	Udupi Cochin Shipyard Limited (Udupi-CSL), a wholly owned subsidiary specialising in construction of smaller and mid-sized vessels.

Vessels built and delivered*

(Total as on March 31, 2026)

22
Large Vessels

35
Offshore Support Vessels

33
Defence Vessels

129
Small and Medium Vessels

*Reported on a consolidated basis. The data w.r.t Udupi-CSL has been considered from the date of its takeover by CSL.

Key Milestones reached in FY 2025-26

Anchoring Our Accomplishments

2025

April 01
Delivered the 19th vessel out of the total order for 23 nos. of Electric Hybrid 100 Pax Water Metro Boats to Kochi Metro.

April 07
Shri Sarbananda Sonowal, Hon'ble Minister of Ports, Shipping and Waterways, performed the steel cutting of BY 168 and BY 169 – India's first series of tugs under the Green Tug Transition Programme (GTTP), taking a stride towards net zero emissions by 2047.

April 08
Drydocks World (a DP World Company) and CSL signed a Memorandum of Understanding (MoU) to work on the possibility of jointly developing world-class ship repair clusters at Kochi and Vadinar.

April 23
Udupi-CSL, a wholly owned subsidiary of CSL, delivered the first in the series of six 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway.

June 21
Hooghly-CSL, a wholly owned subsidiary of CSL, secured an order for construction of two Luxury River Cruise Vessels from Heritage River Journeys Private Limited.

June 27
CSL received an order for construction of two Tugs of 70 T Bollard Pull Power from Polestar Maritime Limited.

August 21
Delivered the 20th vessel out of the total order for 23 nos. of Electric Hybrid 100 Pax Water Metro Boats to Kochi Metro.

September 15
Udupi-CSL delivered the second in the series of six 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway.

September 17
CSL signed a contract with Oil and Natural Gas Corporation Limited (ONGC) for dry dock/ major lay-up repairs of one of its Jack-Up Rigs.

September 24
Hooghly-CSL carried out its maiden launching with the 2200 T Multi-Purpose Vessel being built for a domestic client.

October 18
CSL successfully performed launches for three vessels on the same day – the Anti-Submarine Warfare Shallow Water Craft, the Commissioning Service Operation Vessel and the 12,000 Cu.M capacity Trailing Suction Hopper Dredger – a rare feat in the shipbuilding industry.

October 23
CSL delivered 'MAHE', the first in the series of eight Anti-Submarine Warfare Shallow Water Crafts, to the Indian Navy.

October 30
CSL won the Maritime Excellence Award for Shipbuilding and Ship Repair, the award for "Best Stall for Creative Visualisation" at India Maritime Week 2025 and the Innovative Human Resources (HR) Practices award from National Institute of Personnel Management (NIPM).

November 11
Udupi-CSL delivered the third in the series of six 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway.

November 20
CSL, Inland Waterways Authority of India (IWAI) and Inland & Coastal Shipping Ltd. (ICSL) signed an agreement for the operation and management of the pilot Hydrogen Vessel FCV-Pilot 1 at Varanasi.

November 24
INS MAHE, the indigenously designed Anti-Submarine Warfare Shallow Water Craft built by CSL, was commissioned into the Indian Navy.

November 28
Jack-Up Rig Sagar Kiran, owned by ONGC, was docked in the New Dry Dock (NDD), marking the first dry docking of a three-legged Jack-Up Rig by CSL and CSL's return to rig refit work after 17 years.

December 05
CSL secured shipbuilding contracts with Svitzer AS, Denmark, for building four fully electric 'TRAnsverse 2600E' 70 Ton Bollard Pull Tugs, with an option for four additional vessels.

December 08
Hooghly-CSL signed a shipbuilding contract with Heritage River Journeys Private Limited for constructing an 80-passenger Luxury River Cruise Vessel.

December 10
Udupi-CSL delivered the first in the series of eleven 70 T Bollard Pull Azimuthing Stern Drive (ASD) Tugs to Ocean Sparkle Limited.

December 11
The first Hydrogen-Powered Vessel built by CSL for Inland Waterways Authority of India (IWAI) was commercially launched in Varanasi.

December 19
Profit share of the CKSRU project for FY 2024–25 was handed over to Syama Prasad Mookerjee Port, Kolkata (SMPK).

2026

January 12
Delivered the first in the series of eight Multi-Purpose Vessels (MPV), the 7000 DWT HS ECO Freighter Vessel 'MS HEINZ', to HS Service GMBH & Co. KG, Germany.

January 18
Hon'ble Prime Minister Shri Narendra Modi launched the 50-passenger Hybrid Electric Aluminium Catamaran in Kolkata, making a major milestone in sustainable inland water transport.

January 29
Polestar Maritime Limited placed an order on CSL for two 60 T Bollard Pull Battery-Electric Green Tugs under the Green Tug Transition Programme (GTTP).

February 04
Udupi-CSL delivered the fourth in the series of six 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway.

February 18
CSL signed a contract with CMA CGM, France for the construction of six LNG-Fuelled Container Vessels, making it the first major international carrier to place an LNG vessel order with an Indian shipyard.

February 21
CSL secured the "Outstanding PSU of the Year" Award at the All India Management Association (AIMA) Leadership Excellence Awards.

February 25
Signed the delivery protocol for the 50-passenger Hybrid Electric Catamaran built for Inland Waterways Authority of India (IWAI).

CSL was recognised with the Kerala State Energy Conservation Award 2025 for its successful accomplishments in energy conservation and management.

March 24
Udupi-CSL successfully delivered the 70 T Bollard Pull Tug 'OCEAN ROYAL' to Ocean Sparkle Limited.

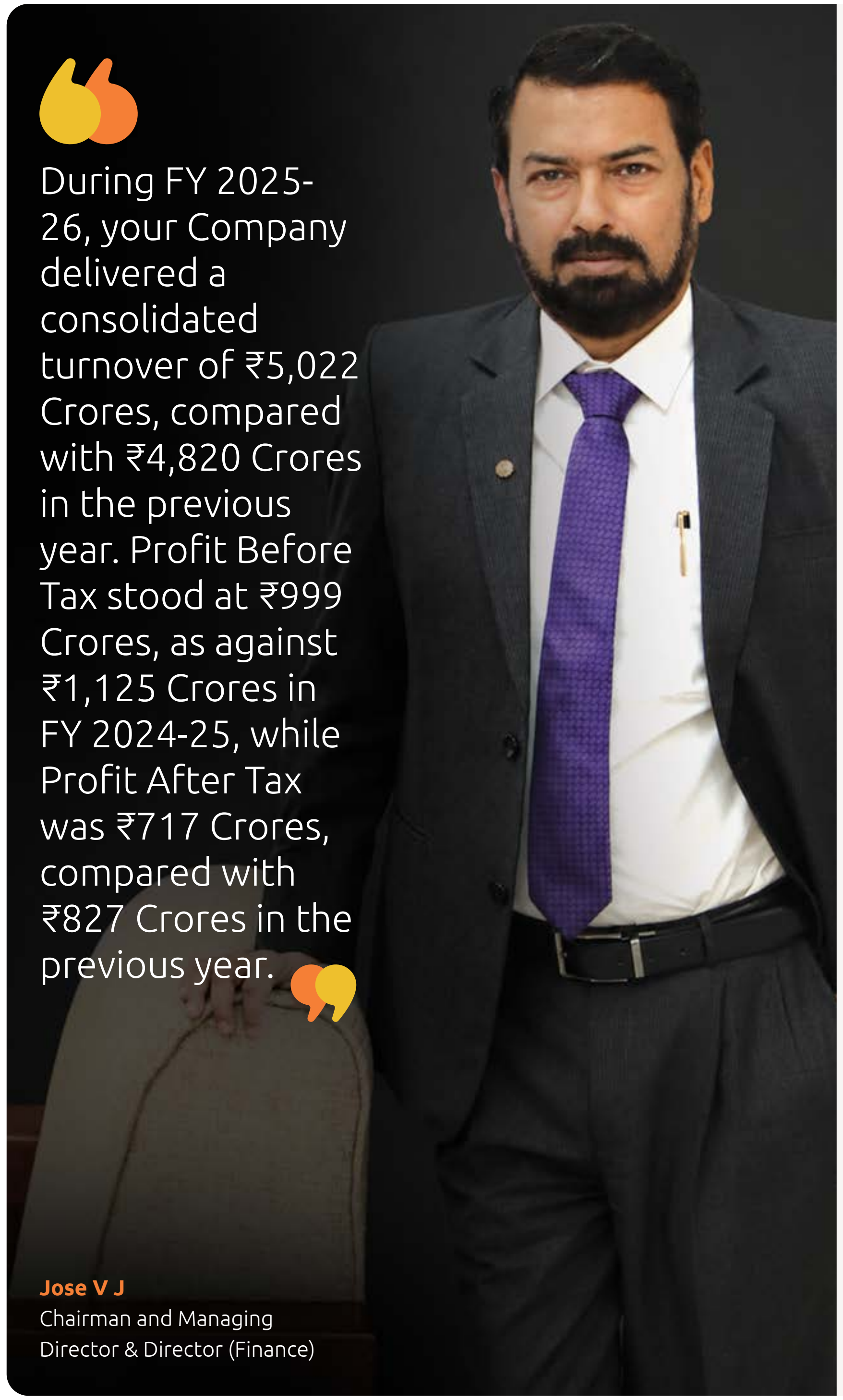
March 25
Cochin Shipyard Limited and HBL Engineering Limited signed a Joint Venture Agreement for the development and commercialisation of electric mobility and energy storage technologies for the maritime sector.

CSL achieved ISO 50001:2018 certification for its Energy Management System (EnMS).

March 31
Signed the Protocol of Delivery and Acceptance of 'MALWAN', the second in the series of eight Anti-Submarine Warfare Shallow Water Crafts (ASW SWC) constructed for the Indian Navy.

Chairman's Message

A Word from Our Helm



During FY 2025-26, your Company delivered a consolidated turnover of ₹5,022 Crores, compared with ₹4,820 Crores in the previous year. Profit Before Tax stood at ₹999 Crores, as against ₹1,125 Crores in FY 2024-25, while Profit After Tax was ₹717 Crores, compared with ₹827 Crores in the previous year.

Jose V J
Chairman and Managing Director & Director (Finance)

Dear Shareholders,

It gives me immense pleasure to share this message with you as your Company completes another important chapter in its five-decade maritime journey. As India moves with determination towards its vision of Viksit Bharat 2047, the maritime sector is entering a transformative phase.

Rising investments in ports, inland waterways and shipbuilding, supported by the Ministry of Ports, Shipping and Waterways' focus on capacity creation, investment, digitalisation and maritime manufacturing, are reshaping India's maritime landscape and opening up significant opportunities for domestic shipbuilders.

Against this backdrop, FY 2025-26 was a year of measured progress and strategic realignment for Cochin Shipyard. We navigated a leadership transition and an evolving industry environment while staying firmly focused on the priorities that will shape our future. While our revenue and profitability moderated compared with the previous year, we continued to strengthen the foundations for long-term growth by expanding our order book, deepening strategic partnerships and advancing indigenous technology development through our C-SAS vertical.

Financial Performance

During FY 2025-26, your Company delivered a consolidated turnover of ₹5,022 Crores, compared with ₹4,820 Crores in the previous year. Profit Before Tax stood at ₹999 Crores, as against ₹1,125 Crores in FY 2024-25, while Profit After Tax was ₹717 Crores, compared with ₹827 Crores in the previous year. Earnings per share stood at ₹27.24 on a face value of ₹5 per share.

Shipbuilding continued to be our largest business segment, contributing revenue of ₹3,366 Crores, up from ₹2,955 Crores in the previous year. Ship repair contributed ₹1,656 Crores, compared with ₹1,865 Crores in FY 2024-25. While the performance of these segments reflected the changing project mix, your Company maintained a strong financial position. As on March 31, 2026, our net worth stood at ₹5,873 Crores and capital employed at ₹ 7,018 Crores. Return on Equity stood at 13%, while Return on Capital Employed was 16%. Our balance sheet remained well positioned, with a low debt-equity ratio of 0.19x.

Reflecting our continued commitment to shareholder value, the Board of Directors recommended a final dividend of ₹1.50 per equity share on the 26,30,80,780 fully paid equity shares of ₹5 each. During FY 2025-26, the Company had already paid interim dividends of ₹4.00 and ₹3.50 per share, aggregating to ₹7.50 per share. With the proposed final dividend, the total dividend for FY 2025-26 will amount to ₹9.00 per equity share, representing 180% of the face value, and aggregating to ₹237 Crores

Operational Performance

During the year, CSL delivered two Hybrid Electric Catamaran Hull vessels to Kochi Metro Rail Limited (KMRL), two Anti-Submarine Warfare Shallow Water Crafts (ASW SWC) to the Indian Navy, one Multi-Purpose Vessel (MPV) to HS Service GmbH & Co. KG, Germany, and one Hybrid Electric Catamaran Passenger Vessel to the Inland Waterways Authority of India (IWAI). The Company also achieved the distinction of launching three vessels on a single day, comprising an ASW SWC for the Indian Navy, a Commissioning Service Operation Vessel for Pelagic Wind Services and a Trailing Suction Hopper Dredger for Dredging Corporation of India. Further, the Company secured orders for two 70 T Bollard Pull Tugs and subsequently received an order for two 60 T Bollard Pull Battery-Electric Green Tugs under the Government's Green Tug Transition Programme from Polestar Maritime Limited. A major milestone during the year was the signing of a contract with CMA CGM for six LNG-fuelled container vessels, marking the first order for LNG-fuelled vessels placed by a global container shipping group with an Indian shipyard. CSL also signed a contract with Svitzer AS, Denmark, for four fully electric 70 T Bollard Pull Tugs, with an option for four additional vessels. In ship repair, CSL undertook the major dry dock repairs of ONGC's jack-up rig *Sagar Kiran*, marking the return of rig repair activities at the yard after 17 years and the first dry-docking of a three-legged jack-up rig at CSL. The dry dock repairs of *Sagar Kiran* were undertaken at the New Dry Dock, which is uniquely built to facilitate and accommodate such repairs.

CSL Strategic & Advanced Solutions (C-SAS)

During FY 2025-26, we continued to expand beyond our traditional shipbuilding and ship repair businesses through our dedicated CSL Strategic & Advanced Solutions (C-SAS) division. C-SAS made steady progress in developing indigenous capabilities in maritime autonomy and digitalisation. Key initiatives included the integration and trials of India's first fully indigenous High Endurance Autonomous Underwater Vehicle, implementation of a Digital Twin for INS Vikrant, and the development of an indigenous Autonomous Surface Vessel in collaboration with Indian technology partners and start-ups. C-SAS also advanced the development of laser-based automated welding technology and a sensor-aided dry-docking assistant aimed at improving safety and operational efficiency.

C-SAS is also spearheading CSL's 'USHUS' Maritime Start-up Scheme, driving innovation by identifying and supporting promising start-ups in the maritime sector. IIM Kozhikode LIVE and IIT Madras serve as the Review and Recommending Agencies for selection, monitoring, and stakeholder coordination.

A total amount of ₹12.50 Crores have been committed to various start-ups specializing in deep tech, AI, renewable energy, and eco-materials.

Subsidiary Companies

Udupi Cochin Shipyard Limited (Udupi-CSL)

Udupi-CSL continued its strong operational performance during FY 2025-26, further strengthening its position within the CSL Group's shipbuilding portfolio. During the year, Udupi-CSL delivered four 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway, and two 70 T Bollard Pull Tugs to Ocean Sparkle Limited. With an unexecuted order book of over ₹2,000 Crores as on March 31, 2026, Udupi-CSL has a strong base for continued growth. This operational progress was reflected in its financial performance. Udupi-CSL reported a total income of ₹630 Crores, compared with ₹279 Crores in the previous year, while revenue from operations increased to ₹618 Crores from ₹266 Crores. Profit for the year rose significantly to ₹93 Crores, compared with ₹3 Crores in FY 2024-25.

Hooghly Cochin Shipyard Limited (Hooghly-CSL)

Hooghly-CSL continued to make progress in developing its capabilities during FY 2025-26. With an unexecuted order book of around ₹200 Crores as on March 31, 2026, Hooghly-CSL is continuing to build its project pipeline and execution capabilities. The subsidiary reported a total income of ₹129 Crores during the year, compared with ₹62 Crores in the previous year, while the loss for the year stood at ₹20 Crores, compared with ₹17 Crores in FY 2024-25. The performance of Hooghly-CSL continues to be an area of focus, and we expect its operations to strengthen progressively as it builds experience and improves its execution capabilities.

Corporate Governance

The Company remains committed to maintaining high standards of corporate governance and transparency. CSL complies with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE Guidelines), except in relation to the appointment of the requisite number of Independent Directors and the related non-compliances arising therefrom.

As on March 31, 2026, the Board of CSL had only one Independent Director against the requirement of six. As a CPSE, the appointment of Directors on the Board of CSL rests with the Government of India. The vacancies were duly brought to the attention of the Government and the matter was regularly followed up to facilitate early appointments. In May 2025, the Government appointed Dr. Seema Suri as an Independent Director. Subsequently, Dr. Vani Ahluwalia was appointed as an Independent Director in August 2026. With these appointments, the Company has been able to constitute all the statutory committees required under the Companies Act, 2013, the SEBI LODR Regulations and the DPE Guidelines. The Company continues to engage with the Government of India for the appointment of the remaining four Independent Directors, which will enable the Board composition to be brought into full compliance with the applicable regulations.

> Udupi-CSL continued its strong operational performance during FY 2025-26, further strengthening its position within the CSL Group's shipbuilding portfolio. During the year, Udupi-CSL delivered four 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway, and two 70 T Bollard Pull Tugs to Ocean Sparkle Limited. With an unexecuted order book of over ₹2,000 Crores as on March 31, 2026, Udupi-CSL has a strong base for continued growth.

Human Resource

At CSL, we believe that our people are at the heart of everything we achieve. Their knowledge, dedication and commitment have been central to the Company's progress, and as we expand our capabilities and pursue new opportunities, we remain focused on building a skilled, adaptable and future-ready workforce.

As on March 31, 2026, the Company had a workforce of 4,013 employees, comprising 529 executives, 269 supervisors, 1,333 workmen and 1,882 contract personnel, supported by 1,301 trainees. During the year, we recruited 1,477 personnel across various categories to meet our growing operational requirements.

Learning and development continued to receive considerable attention. During the year, over 300 training programmes were conducted, covering around 8,700 man-days. Through our "Igniting Minds" initiative, in collaboration with premier institutions such as IIM Bangalore, IIM Lucknow, MDI Gurgaon and IIM Ahmedabad, employees were provided opportunities to strengthen their leadership and management capabilities. Further, a batch of 40 employees, including women, also underwent specialised professional training in Japan under the AOTS programme, providing valuable international exposure and enhancing their technical expertise.

We also continued to strengthen our employee-focused policies and welfare measures. During the year, CSL continued provisions for Child Care Leave and Critical Illness Leave, reflecting our commitment to a supportive and inclusive workplace. Our employee welfare initiatives, including the Employees Medical Assistance Scheme, Employees Pension Scheme, Shipyard Parivar Prathibha Puraskar Scheme, Cochin Shipyard Employees Parivar Parirakshan Yojana (SEPPY), Employees Educational Assistance Scheme etc. continued to support our employees and their families. As we look ahead, we remain committed to creating a workplace where our people can learn, grow and contribute meaningfully to the Company's continued success.

Industrial Relations

CSL continued to maintain a positive and harmonious industrial relations environment during FY 2025-26, with no loss of man-hours due to labour unrest attributable to the Company. This reflects the commitment and cooperation of our employees across all levels, including executives, non-unionised supervisors and workmen. The constructive relationship between the management, trade unions, employee associations and other stakeholders has been a key strength of CSL. At the heart of these relationships is our shared commitment to the interests and long-term success of CSL.

Our commitment to our people extends beyond their years of service with the Company. CSL continues to support its retired employees through various welfare measures, including cashless medical benefits for more than 2,000 retired employees and their eligible dependents, as well as the provision of medicines to around 850 retirees. Financial assistance is also extended through initiatives such as Shipyard Aswasa Kiranam and Shipyard Santhwana Sparsham. In recognition of the valuable contribution of employees who retired before 2007, CSL has also introduced the Sayam Prabha scheme, under which retired employees are presented with a cash gift on attaining 75 years of age and every five years thereafter. These initiatives reflect our belief that the relationship between CSL and its people continues well beyond their years of active service.

> Alongside our efforts to build greener vessels, we are also taking steps to transition our own operations towards cleaner sources of energy.

Sustainability

At CSL, we recognise that sustainable growth must go hand in hand with responsible operations. As the maritime industry evolves, we are focused on reducing the environmental footprint of our operations while improving energy efficiency and adopting cleaner technologies. Alongside our efforts to build greener vessels, we are also taking steps to transition our own operations towards cleaner sources of energy.

As part of this transition, CSL is implementing a Battery Energy Storage System (BESS) in a phased manner. The system will be charged using renewable power procured through the Green Day Ahead Market (GDAM), supplemented by surplus power generated from our solar installations. The stored energy will be utilised during peak tariff periods, helping us improve energy efficiency and optimise the use of renewable power. The first phase of the BESS is targeted for completion by December 2027. Once commissioned, the project is expected to enable CSL to meet approximately 60–70% of its energy requirements through green energy sources.

In addition, CSL has implemented several ESG initiatives and continue to explore practical and scalable solutions in renewable energy, cleaner technologies and eco-efficient infrastructure as we work towards making our operations more sustainable and future-ready. Notably, CSL has implemented the ISO 50001:2018 Energy Management System (EnMS) Standard to systematically manage and improve energy efficiency across its operations.

Safety

Safety remains a core organisational priority at CSL, reflected in our structured systems, continuous training and commitment to highest standards. The Company maintains an Integrated Management System (IMS) in line with ISO 9001:2015 Quality Management, ISO 14001:2015 Environmental Management and ISO 45001:2018 Occupational Health & Safety Management, ensuring compliance with best-in-class HSE practices. In March 2025, CSL further strengthened its framework by obtaining ISO 27001:2022 certification for establishing and maintaining an Information Security Management System (ISMS).

To strengthen safety awareness and capacity-building, CSL operates a dedicated HSE Competency Development Centre that offers structured training to our workforce. More than 15,000 manhours of safety training have been imparted during the year. The Company continued to invest in various HSE initiatives across all operational areas during FY 2025–26. CSL also conducts regular safety audits, inspections and risk assessments as part of its commitment to proactively identifying and mitigating potential hazards at all levels.

Corporate Social Responsibility

CSL remains committed to its role as a responsible corporate citizen, aligning its Corporate Social Responsibility (CSR) initiatives with national priorities. A structured CSR framework is in place, supported by a dedicated CSR Cell that ensures proper planning, execution, and monitoring of projects approved by the Board. Over the years, CSL has implemented more than 1,000 projects across India, with a cumulative CSR spent of over ₹150 Crores, focusing on healthcare, education, skilling, environmental sustainability, and community development. During the financial year, the Company spent ₹15.54 Crores against the mandated budget of ₹13.89 Crores, implementing 113 CSR projects with Health & Nutrition and PM Internship Scheme as the central theme. CSR projects were undertaken not only in Kerala but also in other parts of the country, including the north-eastern states.

> During the financial year, the Company spent ₹15.54 Crores against the mandated budget of ₹13.89 Crores, implementing 113 CSR projects with Health & Nutrition and PM Internship Scheme as the central theme. CSR projects were undertaken not only in Kerala but also in other parts of the country, including the north-eastern states.

Looking Ahead

As we look ahead, our focus is on building on the capabilities created over the past few years and preparing CSL for the next phase of growth. With a current order book of over ₹22,000 Crores, we have a strong foundation for sustained business activity in the years ahead. We have also undertaken a comprehensive review of our CRUISE 2030 strategy in the context of our expanded infrastructure, changing global maritime trends and the national objectives under Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047. This has led to the launch of CRUISE 2030 2.0, which sets out a clear roadmap for the next phase of growth. A T Kearney India has been onboarded to support CSL in translating this roadmap into actionable initiatives, with a focus on revenue growth, operational excellence, technology, strategic partnerships and capability development.

> We are also progressing with the development of a second ship repair cluster at Vadinar, Gujarat, in partnership with Deendayal Port Authority, with a total investment of ₹1,570 Crores, which includes CSL's investment of approximately ₹920 Crores.

A key priority under this roadmap is to expand our large shipbuilding capabilities. CSL plans to develop a modern Block Fabrication Facility at Vallarpadam on around 80 acres of long-leased land and the process of allotment of land is progressing. The facility will support the construction of large commercial vessels and enable better utilisation of our New Dry Dock. We will also continue to explore strategic partnerships to bring global expertise, technology and market access to CSL.

Ship repair will remain another important area of growth. Following the development of the International Ship Repair Facility (ISRF) at Kochi, we are planning a Phase II expansion with ten additional workstations and associated infrastructure. We are also progressing with the development of a second ship repair cluster at Vadinar, Gujarat, in partnership with Deendayal Port Authority, with a total investment of ₹1,570 Crores, which includes CSL's investment of approximately ₹920 Crores. The project, which will include two large floating docks, received CCEA approval on May 05, 2026. Together, the Kochi and Vadinar facilities will strengthen our ship repair capabilities and access to international customers. Our MoU with Drydocks World, Dubai, a DP World company, will further support the exploration of opportunities to bring international expertise and capabilities to these initiatives.

We are also looking beyond our traditional businesses to build capabilities in emerging maritime technologies. A Joint Venture Company has been formed with HBL Engineering Limited to develop electric mobility technologies and energy storage solutions for the maritime sector. In addition, we are progressing with the proposed acquisition of a 23% stake in Conoship International Holding B.V., Netherlands, which will provide CSL with access to international ship design capabilities and help us participate more effectively in the growing market for energy-efficient and low-emission vessels.

Closing Remarks

In closing, I extend my sincere gratitude to the entire CSL Group team for their dedication, professionalism and commitment to excellence across all areas of our operations. I would also like to thank our valued customers, business partners and investors for their trust and continued association with the Company.

I sincerely appreciate the cooperation and encouragement extended by the Ministry of Ports, Shipping and Waterways, Ministry of Defence, various Government of India departments, and the State Governments of Kerala, West Bengal, Maharashtra and Karnataka, as well as the Andaman and Nicobar Administration, who have been instrumental in realising our aspirations.

I would also like to place on record my sincere appreciation for the contributions of Shri Madhu Sankunny Nair, former CMD of CSL, who spearheaded the Company for more than a decade and provided visionary leadership during a significant phase of its growth and transformation. His contributions have laid a strong foundation for the Company's continued progress.

As we look ahead, CSL remains committed to advancing India's maritime capabilities by fostering innovation, promoting sustainable practices and pursuing excellence across its operations. With a strong order book, state-of-the-art infrastructure and a highly skilled workforce, the Company is well positioned to capitalise on emerging opportunities, address evolving challenges and create enduring value for its stakeholders, while continuing to contribute to India's economic and maritime development.

Thank you, Jai Hind.

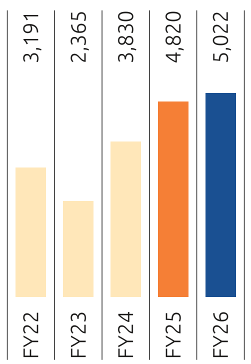
Jose V J
Chairman and Managing Director
& Director (Finance)

Our Performance at a Glance

Propelling Momentum, Sailing for Success

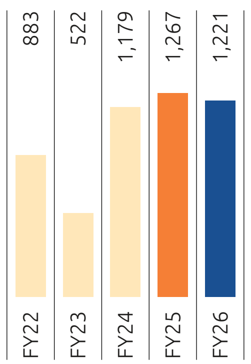
Turnover

(₹ in Crores)



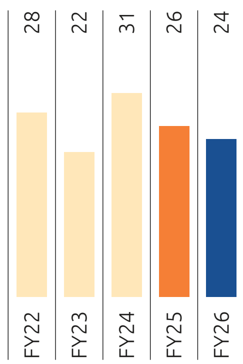
EBITDA

(₹ in Crores)



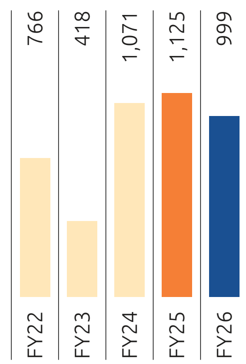
EBITDA Margin

(in %)



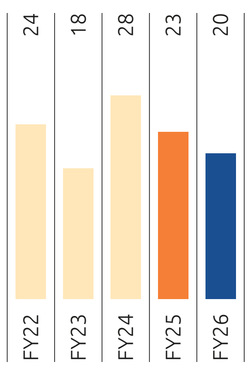
PBT

(₹ in Crores)



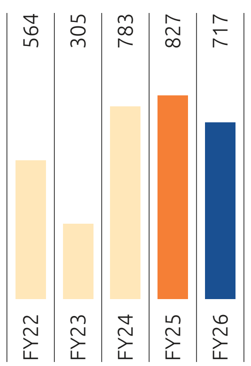
PBT Margin

(in %)



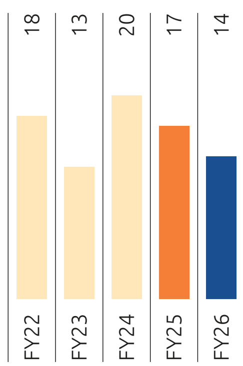
PAT

(₹ in Crores)



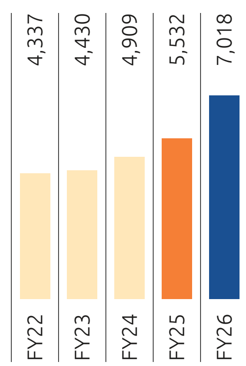
PAT Margin

(in %)



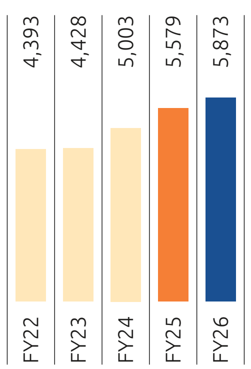
Capital Employed

(₹ in Crores)



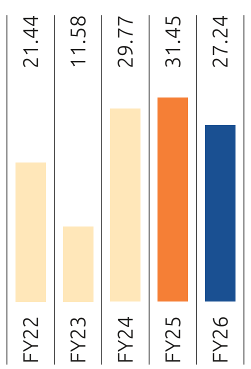
Net Worth

(₹ in Crores)



Earnings per Share

(₹)



Note: EPS figures presented above is based on the new face value of shares consequent to the stock split in January 2024. Previous years' figures have been adjusted for ease of comparability.

The above figures are reported on a consolidated basis.

10-year Performance Review (Consolidated)

Key Indicators	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
EPS (₹ per share)	27.24	31.45	29.77	23.16	42.87	46.27	48.05	35.47	31.00	28.44
Face Value per Share (₹)	5	5	5	10	10	10	10	10	10	10
EBITDA / Gross Turnover (%)	24.31	26.28	30.77	22.09	27.66	32.61	27.80	26.87	27.73	26.38
Net Profit Margin (%)	14.28	17.16	20.45	12.89	17.67	21.59	18.47	16.13	16.83	15.65
Return on Net Worth (%)	12.21	14.83	15.66	6.88	12.84	15.09	16.98	14.35	12.17	15.86
Return on Capital Employed (%)	15.55	21.04	22.49	10.24	18.75	21.63	24.16	22.93	18.82	24.47

(₹ in Crores unless otherwise stated)

Key Indicators	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Turnover	5,021.87	4,819.96	3,830.45	2,364.55	3,190.95	2,818.90	3,422.49	2,962.16	2,355.12	2,058.87
Total income	5,431.69	5,209.02	4,140.64	2,571.57	3,453.76	3,009.72	3,667.58	3,188.97	2,544.35	2,222.45
Profit Before Tax (PBT)	999.03	1,125.17	1,070.94	418.44	765.94	808.13	857.72	747.52	604.24	494.00
Depreciation & write offs	129.79	103.18	74.58	68.84	69.66	59.83	48.94	34.20	37.51	38.51
Profit After Tax (PAT)	716.74	827.33	783.28	304.71	563.96	608.66	632.01	477.79	396.26	322.15
Equity Share Capital	131.54	131.54	131.54	131.54	131.54	131.54	131.54	131.54	135.94	113.28
Reserves & Surplus	5,741.22	5,447.72	4,871.80	4,296.11	4,261.64	3,901.91	3,591.34	3,197.10	3,119.54	1,917.83
Net Worth	5,872.76	5,579.26	5,003.34	4,427.65	4,393.18	4,033.45	3,722.88	3,328.64	3,255.47	2,031.11
Gross Fixed Assets	3,803.93	3,572.91	1,396.21	1,319.25	1,197.61	1,035.31	857.96	426.93	369.79	599.97
Net Fixed Assets	3,156.44	3,034.10	949.45	943.30	905.44	803.98	700.48	313.24	284.47	302.85
Number of Employees of CSL (permanent)	2,131	2,140	2,133	1,883	1,756	1,727	1,710	1,744	1,781	1,829

Key Indicators – MoU with the Government of India

Key Indicators (Consolidated)	2025-26
Value of Production (₹ in Crores)	4,997.39
Capital Expenditure (₹ in Crores)	318.07
Export/Income from Overseas (₹ in Crores)	1,565.23
Reduction in imports consumption (as percentage of Revenue from Operations, over previous year) (%)	-17.06
EBITDA (as a percentage of Total Income) (%)	22.48
Return on Net Worth (%)	12.49
Asset Turnover Ratio (%)	38.90
Trade Receivables (as number of days of Revenue from Operations)	30.76
Expenditure on R&D (including Innovation Initiatives, as percentage of previous 3 years average PBT) (%)	2.80

Our Portfolio

A Fleet of Diverse Offerings

Our Portfolio

- Shipbuilding
  - Defence
  - Commercial
  - Off-shore
- Ship Repair
- Marine Engineering Training
- Strategic & Advanced Solutions (C-SAS)

Ship Building

₹3,366 Crs.

Turnover (Consolidated)

Defence

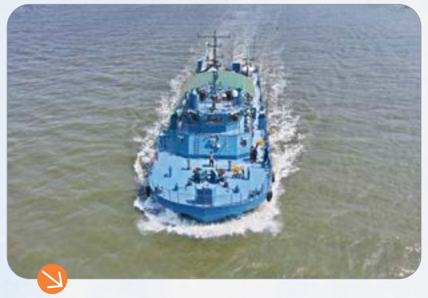
Our defence shipbuilding portfolio fortifies India's maritime security requirements through the construction of technologically advanced naval platforms. Our portfolio encompasses specialised vessels designed for surveillance, coastal protection, combat support and other strategic defence applications.


Aircraft Carriers


Next Generation Missile Vessels


Anti-Submarine Warfare Shallow Water Crafts


Technology Demonstration Vessel


Floating Border Out-Post Vessels

Fast Patrol Vessels


Hydrographic Survey Vessels


Offshore Patrol Vessels


Pollution Control Vessels

Commercial

Our commercial shipbuilding business caters to both domestic and international customers through a comprehensive and diversified range of vessels improving passenger transportation, cargo movement, dredging, inland waterways and other specialised marine applications. Additionally, the portfolio progressively evolves in alignment with the dynamic industry requirements and emerging opportunities in the market.


Oil Tankers


Bulk Carriers


Dredgers


Pax Vessels


Tugs


Special Purpose Vessels


Deck Cargo/ Jacket Launch Barges


Electric Autonomous Vessels


Electric Passenger Ferries


Ro-Pax Vessels


Specialised Fishing Vessels


Marine Ambulance


Commissioning Service Operation Vessels


Hybrid Service Operation Vessels


Zero Emission Feeder Container Vessels

Off-shore

Our offshore portfolio curate solutions that cater to all demands spanning offshore exploration, marine logistics and renewable energy support through purpose-built vessels engineered for demanding operating environments. These solutions complement our diversified shipbuilding capabilities across a multitude of maritime industries.


Platform Supply Vessels


Anchor Handling/ Tug Supply Vessels

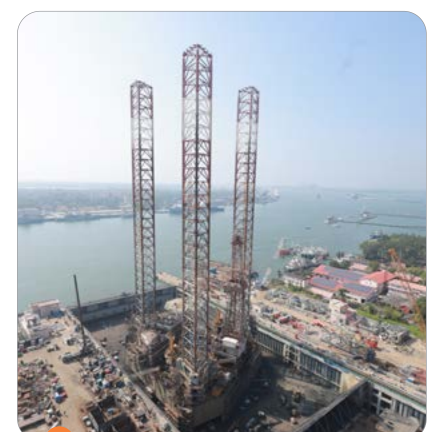
Ship Repair

Ship repair constitutes an integral component of our maritime offerings, providing maintenance, refit, conversion and lifecycle support services for a wide spectrum of vessel categories. Backed by specialised facilities and technical proficiency, it enables us to deliver advanced and comprehensive solutions beyond vessel construction that simultaneously strengthens their long-term customer relationships.

₹1,656 Crs.
Turnover (Consolidated)

2,750+
Ship Repair Projects


Maintenance and Repairs of Aircraft Carriers and other Defense Vessels.


Oil Rig Upgrades, Repair Projects, and Conversions


Repairs and Maintenance of Tankers, Bulk Carriers, all kinds of Commercial and Specialised Vessels

Marine Engineering Training

Our Marine Engineering Training Institute (METI) contributes to the upskilling of maritime professionals through structured marine engineering education and customised technical training programmes. The Institute bolsters operational optimisation by supporting the sector requirement for a technically competent workforce.

10
Training Programmes

160
Marine Engineers Trained Annually

~1,400
Participants underwent specialised training

Strategic & Advanced Solutions (C-SAS)

CSL Strategic & Advanced Solutions (C-SAS) prioritises technology-driven and knowledge-intensive initiatives that complement our maritime businesses at core. The vertical equips us to explore emerging opportunities, thereby, heightening innovation capabilities and expanding our geographical footprints spanning specialised areas of the maritime sector.

6
Strategic Solution Areas

High-Endurance Autonomous Underwater Vehicle (HEAUV) jointly developed by C-SAS, CSL and NSTL, DRDO.

Our Operational Excellence

Charting on Steady Waters, Harnessing Excellence

Our integrated operational infrastructure constitutes the fundamental pillar of our execution capabilities across the entire shipbuilding, ship repair, and marine engineering value chain. Strategically located facilities across India, specialised assets and continuous infrastructure augmentation permit us to undertake technologically advanced maritime projects while delivering operational flexibility across defence, commercial and offshore segments.

Cochin Shipyard Limited (CSL), Kochi, Kerala

Cochin Shipyard Limited relies on its site in Kochi that serves as the principal operational hub, supporting both shipbuilding and ship repair through an integrated ecosystem and specialised engineering capabilities. The facility has delivered several landmark projects over the years and plays a pivotal role in strengthening India's maritime backbone as it offers specialised services both domestically and internationally. The commissioning of the New Dry Dock stands as a transformational addition to our infrastructure platform. Designed to accommodate larger and more sophisticated vessel programmes, the facility significantly enhances our shipbuilding capabilities while strengthening our readiness to execute next-generation defence and commercial projects.

3

Integrated Dry Docks

Infrastructure	Specification
Dry Dock 1	255 x 43 x 9 Mtr
Dry Dock 2	270 x 45 x 12 Mtr
Dry Dock 3 (New)	310 x 75/60 x 13 Mtr
Berthing Length	1.3 km

International Ship Repair Facility (ISRF), Kochi, Kerala

The International Ship Repair Facility (ISRF) strategically enhances our repair and maintenance capabilities for small and medium sized vessels up to 130 metres in length. The facility supports improved operational flexibility, enhanced turnaround capabilities, and the ability to cater to a diverse range of customer requirements. ISRF remains a key element of our long-term growth strategy, strengthening our position in the global ship repair market. Around 35 refits were undertaken at ISRF during the financial year, generating a revenue of ₹207 Crores.

Infrastructure	Specification
Ship Lift	6,000 T (130 x 25 Mtr)
Workstations	6
Dedicated Shops and Maritime Park	Available
Berthing Length	1.4 km

Mumbai Ship Repair Unit (CMSRU), Mumbai Port, Mumbai

Located within Mumbai Port, CMSRU has strengthened the Company's presence in Western India since commencing operations in January 2019. The unit provides tailored repair and maintenance solutions for commercial and defence vessels. The ideally situated plant emerges as instrumental in carrying out efficient project execution while enhancing accessibility for customers operating along India's Western coastline. During the financial year, CMSRU successfully executed dry dock and afloat repairs of 12 vessels, achieving a turnover of ₹209 Crores.

Infrastructure	Specification
Dry Dock	300 x 30 x 9 Mtr
Berthing Length	1 km (for afloat repairs)

Kolkata Ship Repair Unit (CKSRU), Kolkata, West Bengal

Located strategically at Syama Prasad Mookerjee Port, the Kolkata Ship Repair Unit (CKSRU), which commenced operations in October 2019, supports the repair requirements of commercial and defence vessels operating along India's Eastern seaboard, thereby, reinforcing swifter service delivery that bolsters our nationwide ship repair network. During the financial year, CKSRU reported a total revenue of ₹100 Crores through the successful execution of nine refit projects.

Infrastructure	Specification
Dry Dock	172 x 23 x 8 Mtr (2 Nos.)

Andaman & Nicobar Ship Repair Unit (CANSRU), Sri Vijaya Puram, Andaman & Nicobar Islands

Commencing operations in November 2021, CANSRU, positioned at the Marine Dockyard in Sri Vijaya Puram, extends our vessel servicing proficiencies to the Andaman & Nicobar Islands. The facility plays a pivotal role in strengthening the regional ship repair ecosystem by delivering modern, efficient, and reliable repair solutions tailored to the evolving needs of the maritime sector. CANSRU achieved a turnover of ₹228 Crores during the financial year.

Infrastructure	Specification
Dry Dock 1	88 x 20 x 7 Mtr
Dry Dock 2	68 x 16 x 5 Mtr
Slipways	25 x 8 Mtr (5 Nos.)

Hooghly Cochin Shipyard Limited (Hooghly-CSL), Howrah, West Bengal

Hooghly-CSL, established on 15.76 acres along the banks of the river Hooghly at a cost of ₹175 Crores, strengthens our presence in Eastern India through specialised shipbuilding capabilities for inland and coastal vessels. Hooghly-CSL complements our diversified operational network, concurrently supporting regional shipbuilding requirements through tailored infrastructure. Hooghly-CSL has reported a total income of ₹129 Crores during the financial year and has an order book of approximately ₹200 Crores.

Infrastructure	Specification
Slipway	136 x 40 Mtr
Outfitting Jetties	3

Udupi Cochin Shipyard Limited (Udupi-CSL), Udupi, Karnataka

Udupi-CSL supports the construction of small and medium-sized vessels for domestic and international customers. As a wholly owned subsidiary, the establishment augments our production capacity while strengthening our execution capabilities across specialised vessel categories. Udupi-CSL reported a total income of ₹630 Crores during the financial year and maintains a robust order book exceeding ₹2,000 Crores, reflecting its strong market position and growth potential.

Infrastructure	Specification
Slipway	96 x 22 Mtr

Infra Project Highlights

Engineering the Next Wave of Innovation

Our steady and gradual investments in cutting-edge infrastructure are strengthening our operational efficiency across shipbuilding and ship repair while creating a future-ready platform for enduring growth. The commissioning of the New Large Dry Dock and the International Ship Repair Facility (ISRF) has significantly expanded our capabilities in complex maritime programmes with greater operational flexibility. Complementing these assets are strategic partnerships and technology-led initiatives that bolster our engineering proficiency, thereby, extending our presence across emerging maritime segments and reaffirming our competitive edge in domestic and global markets.

₹2,769 Crs.
Combined Infrastructure Investment

2
Global Strategic Partnerships

4
Future-ready Technology Platforms

3
Vessels Launched in a Single Day

Building World-Class Maritime Infrastructure

New Large Dry Dock

Constructed with an investment of **₹1,799 Crores**, the New Large Dry Dock is deemed as among India's most advanced maritime infrastructure assets. Designed with a **100-year life**, the facility is capable of accommodating aircraft carriers of up to **70,000 tonnes displacement**, Capesize and Suezmax vessels, LNG carriers and jack-up rigs, substantially enhancing our ability to execute complex defense and commercial programmes. During FY26, the facility successfully dry docked **ONGC's Jack-Up Rig Sagar Kiran**, marking CSL's first-ever dry docking of a three-legged jack-up rig and our return to rig refit operations after 17 years.

₹1,799 Crs.
Investment

310 Metres
Dock Length

600 T
Heavy-duty Crane

International Ship Repair Facility (ISRF)

Developed on land leased from the Cochin Port Authority at an investment of **₹970 Crores,** the International Ship Repair Facility (ISRF) comprises a state-of-the-art ship lift and transfer system capable of handling vessels up to **130 metres in length** and **25 metres in width** with an annual throughput of up to 82 ships. With six workstations enabling simultaneous repair operations, the facility enhances our repair competencies, operational excellence and ability to serve niche vessel segment, thereby, positioning us as a preferred ship repair destination at the global front.

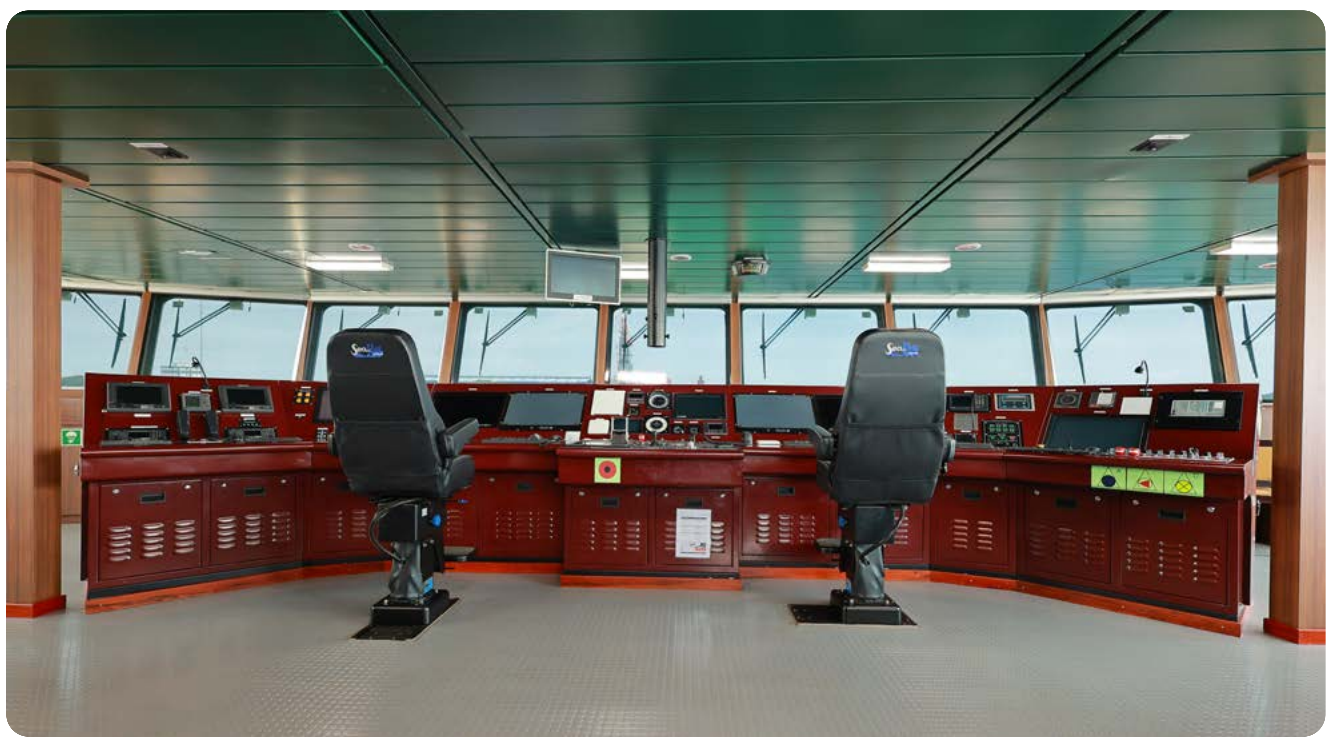
Strengthening through International Strategic Partnerships

Our infrastructure investments are complemented by international collaborations that are accelerating technology adoption, productivity enhancement and performance improvement.

Partner	Strategic Focus
Drydocks World, UAE	Development of world-class ship repair clusters at Kochi and Vadinar, alongside the exchange of technical expertise and global best practices.
Conoship International Holding B.V., Netherlands	To enhance access to advanced design solutions and expand presence in European coastal and short sea shipping markets.

Advancing Maritime Technologies

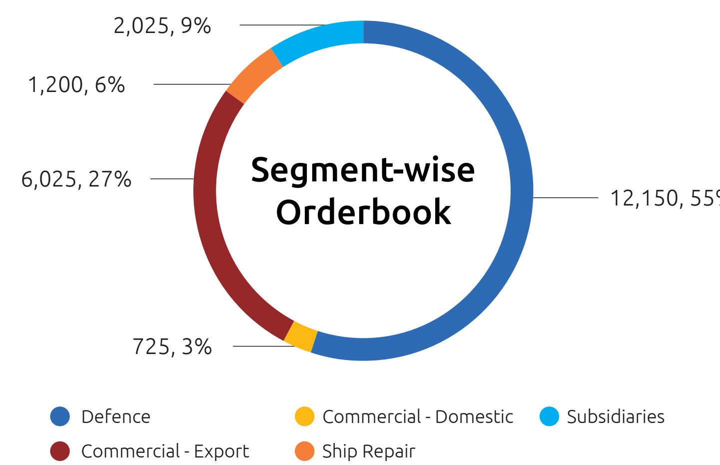
Our strategic initiatives are expanding capabilities across sustainable and next-generation maritime technologies. During FY26, we forayed into a Joint Venture with **HBL Engineering Limited** to engineer electric mobility and energy storage technologies for the maritime industry. We further advanced our leadership in green shipping with the construction and operation of **India's first hydrogen-powered vessel, FCV-Pilot 1**, while securing orders from Svitzer AS, Denmark to construct four 26-metre **fully electric 'TRAnsverse'** ("TRAnsverse 2600E") 70 Ton Bollard Pull Tugs and from Polestar Maritime Limited for building two 60 T Bollard Pull **Battery-Electric Green Tugs**. These initiatives reinforce CSL's commitment towards enabling sustainable maritime solutions and strengthening its position in the evolving global green shipping landscape. CSL also achieved a significant milestone by securing an order from **CMA CGM, France** to construct six LNG-fuelled container vessels—the first order to ever get awarded by a leading international shipping line to an Indian shipyard, marking a major step forward in India's shipbuilding capabilities and CSL's participation in the global transition towards cleaner fuels.



Delivering Execution Excellence

Combining our infrastructure investments, strategic collaborations and technology initiatives we continue to strengthen our execution capabilities across emerging and sophisticated maritime programmes. During the year, we successfully launched **three vessels on a single day** in key categories of defence, offshore wind and dredging segments, thereby, underscoring our ability to simultaneously execute multiple complex projects. These milestones support India's evolving maritime ambitions, positioning us at the global frontier.

Order Book Position (As on March 31, 2026)



Project Category	No. of Vessels	Order Value (₹ in Crs.)*
Cochin Shipyard Limited		
Shipbuilding		
• Defence	12	12,150
• Commercial – Domestic	16	725
• Commercial – Export	23	6,025
Total	**51**	**18,900**
Ship Repair		1,200
Total	**51**	**20,100**
Subsidiaries		
• Hooghly-CSL	7	200
• Udupi-CSL	20	1,825
Grand Total	**78**	**22,125**

*The order value given in the above table is the balance amount of orders (rounded off to the nearest 25 Crs.) to be recognised as on March 31, 2026. Further, the value of work awarded by CSL to subsidiaries has been excluded from their order values to avoid overlap in reporting.

USHUS

Advancing Maritime Horizons, from Sea to Shore

USHUS, having a total corpus of ₹50 Crores, is our dedicated maritime start-up engagement programme designed to foster innovation and promote technology-led solutions for the maritime sector. By connecting start-ups with industry expertise, infrastructure and collaborative opportunities, the programme supports the development of emerging technologies that can contribute to the future of maritime operations.

The programme prioritises advancing early-stage naval innovations by enabling start-ups with access to industry knowledge, mentoring opportunities and an integrated ecosystem for technology upgradation. Through structured engagement, USHUS strengthens innovation that aligns with the future demand of the maritime sector.

Funding Schemes

Seed Fund Scheme

- Upto ₹50 Lakhs per start-up.
- To create a minimum viable product/ service (MVP) based on innovative solutions/ processes/ products/ services/ business models in shipping and maritime sector.

Pilot Grant Scheme

- Upto ₹100 Lakhs per start-up.
- For the commercialisation of proprietary technology.
- Includes Proof-of-Concept (POC) and Proof-of-Value (POV)

Equity Investment

- Investing into the equity of the start-up company up to 9% of its capital.

The Ecosystem

The strength of USHUS lies in its collaborative ecosystem that integrates start-ups with knowledge, technology and industry expertise. By fostering interaction among multiple stakeholders, the programme builds an environment where innovative ideas can be realised into practical maritime solutions.

Start-up Portfolio

The start-ups associated with USHUS represent diverse departments of innovation covering the maritime value chain. Each venture contributes specialised technologies and solutions that advance maritime operations through innovation-driven and future-led applications.

24
Startups Funded

₹12.50 Crs.
Funds committed

IIMK LIVE & IIT Madras
Review and Recommending Agencies

Our People

Empowering Our Strategic Minds, Navigating Currents of Growth

Our people are at the crux of our resilient momentum, driving our extensive operations, while sustaining long-term growth. We strive to build an inclusive, performance-oriented and future-ready workplace that invests in talent, strengthening proficiencies and a collaborative culture, that advocates for lifelong learning and welfare. Through formalised personnel protocols across the employee lifecycle, we stay on track to meaningfully fulfil our organisational objectives.

Human Resource (HR) Vision

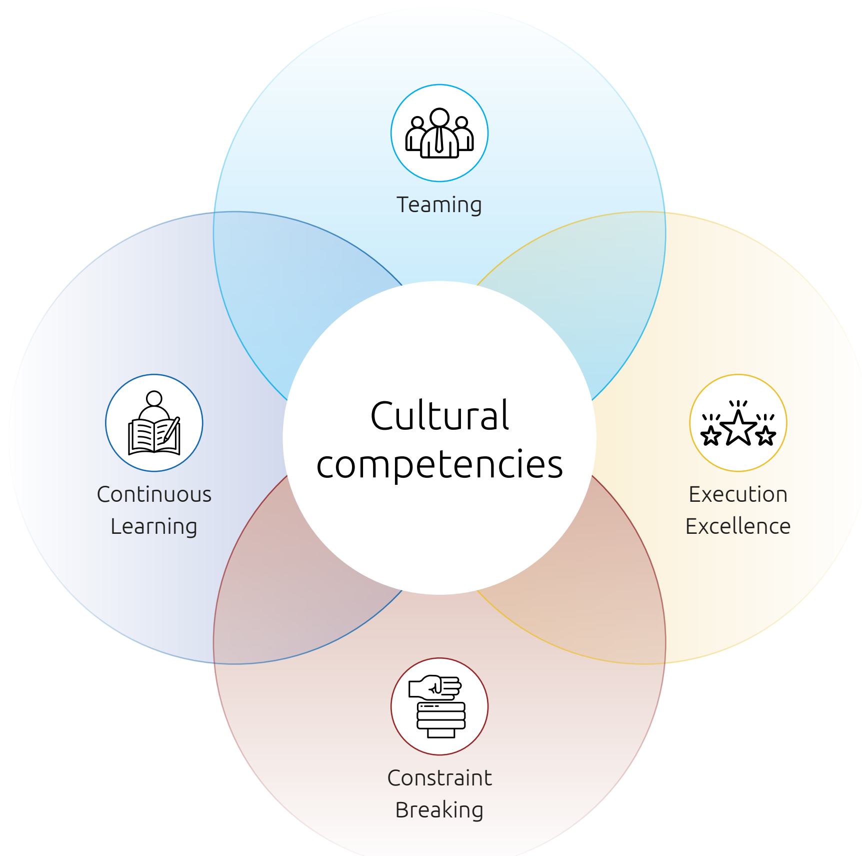
Emanating from the goals and objectives enshrined in the corporate mission statement, the strategic HR vision of CSL is to strive and create a unique institution that integrates creativity, innovation, technology, business and good corporate governance practices for all round improvement in the quality of work life of the Yard's workforce.

HR Mission

To provide a vibrant platform for all those working in the Yard to give their best and ensure all round growth both for the individual and organisation.

HR Policy

HR policies are oriented towards providing the right mix of human resources, their empowerment and enrichment so as to meet organisational targets and results.



4,000+
Total Workforce

1,300+
Trainees engaged

Talent Acquisition

A future-ready organisation is built upon the right talent. Our talent acquisition approach focuses on assessing professionals with the technical expertise, leadership potential and values required to support the Company's long-term growth. Through targeted recruitment drives and specialised workforce planning, we continue to bolster our talent pipeline while ensuring that the right capabilities are available at the right time to support evolving business requirements.

Subsequently, we emphasise on fostering a balanced workforce by aligning recruitment with organisational priorities and succession requirements. This structured approach strengthens operational continuity while sustaining workforce development organisation-wide.

~1,500
Personnel recruited

Employee Training and Development

Continuous learning remains central to our people enrichment strategy. We provide employees with structured technical, functional, behavioural and leadership enhancement programmes that augment professional capacity while preparing them for industry-specific demands. Our learning initiatives are designed to strengthen technical competence, encourage knowledge sharing and support long-term career progression.

By investing in capability development across all key stages of the organisation, we continue to build a workforce that is adaptable, future-ready and adequately equipped to be responsive to emerging opportunities within the maritime industry. This learning culture enables employees to continuously upskill while contributing to operational excellence.

300+
Training Programmes Conducted

~8,700
Training man-days

Nurturing Women's Potential

CSL remains committed to fostering an inclusive workplace that empowers women through equal opportunities, supportive policies and a safe work environment. Women employees have been included in overseas skill development programmes in Japan to encourage greater participation in technical learning and global exposure. The Company strengthened its employee-friendly initiatives by extending Child Care Leave benefits to eligible women employees, including those with dependent disabled children, while ensuring full compliance with the Maternity Benefit Act, 1961.

CSL also continued to uphold a zero-tolerance approach towards workplace harassment through strict compliance with the POSH Act, regular sensitisation programmes and dedicated Internal Complaints Committees led by senior women executives. A dedicated Woman Welfare Officer drives initiatives for women's empowerment and welfare, reinforcing the Company's commitment to an equitable and inclusive workplace. CSL observed International Women's Day in March 2026 with inclusive initiatives aimed at promoting participation, recognition and empowerment of women employees.

380

Women employees as on March 31, 2026

Employee Engagement

We believe that an engaged workforce strengthens collaboration, innovation and organisational performance. Our employee engagement initiatives generate opportunities for individuals to connect beyond their day-to-day responsibilities through team-building programmes, cultural activities, employee recognition initiatives and open, transparent communication platforms that encourage participation throughout the organisation.

These initiatives reinforce a collaborative workplace culture while aligning employee morale and belongingness with organisational values. By encouraging active participation and recognising individual contributions, we continue to foster a positive and inclusive work environment.

Employee Retention

Retaining skilled talent stands as a necessity to sustain operational excellence and organisational consistency. Our performance and talent management infrastructure focuses on recognising merit, supporting career progression and promoting opportunities for successful professional growth trajectory. Structured performance evaluations, leadership development undertakings and internal career opportunities enable employees to build long-term careers within the organisation.

By aligning individual performance with our business objectives and encouraging gradual development, we continue to strengthen employee commitment while building a resilient leadership pipeline for the future.

99%

Employee Retention Rate

Employee Health and Safety

Ensuring the health, safety and well-being of our employees remains an integral part of our operational culture. We continue to strengthen occupational health practices, workplace safety systems, emergency readiness and employee welfare initiatives to provide a safe and supportive working environment across all our operating sites.

Our focus extends beyond regulatory compliance to foster a proactive safety culture through regular awareness programmes, specialised training, preventive health initiatives and steady monitoring of workplace safety practices. These efforts contribute to protecting our workforce while supporting safe and efficient operations.

180

Safety Training Sessions

15,000+

Training man-hours

Environment

Steering towards a Greener Future

Environmental responsibility is integrated into our manner of planning, operating and expanding our business. Through focused initiatives in energy management, water stewardship, circular resource utilisation, waste management and biodiversity conservation, we strategically strengthen environmental performance and simultaneously support sustainable operations across our facilities.

Climate Governance and Environmental Stewardship

We have embedded sustainability into our business strategy through a dedicated governance framework led by the General Manager (ESG and HSE) and an Environment, Social and Governance (ESG) Committee. Guided by our commitment to environmental sustainability, we continue to strengthen energy efficiency, accelerate renewable energy adoption and optimise resource utilisation across our operations.

Key highlights

- Established a dedicated governance structure to supervise ESG and sustainability initiatives.
- Pursuing a long-term roadmap to progressively increase the share of green energy in meeting our operational energy requirements.
- Prioritising energy optimisation, renewable energy integration and water-use efficiency.

Renewable Energy Transition

We are accelerating our transition towards clean energy through augmenting our investments in solar infrastructure, renewable power procurement and energy storage solutions. These initiatives are aimed at reducing our dependence on conventional energy sources while strengthening operational resilience.

Key highlights

- Bolstering rooftop solar capacity from **2,422 kWp to 4,000 kWp** by December 2028.
- Procuring renewable power through the Green Day-Ahead Market (GDAM).
- Incorporating a Battery Energy Storage System (BESS), with the first phase targeted for completion by December 2027.
- Anticipating to cater to approximately **60–70%** of our energy requirements through green energy sources.

Energy Efficiency and Smart Operations

We consistently leverage technology and automation to improve energy efficiency and operational reliability across all our plants. Through smart monitoring systems and energy-efficient infrastructure, we utilise energy consumption efficiently while enhancing productivity.

Key highlights

- Equipped ballast pump at repair dock with Variable Frequency Drives (VFDs).
- Installed Static Frequency Converters (SFCs) across all quays.
- Implemented Internet of Things (IoT)-based systems for conducting real-time monitoring of energy consumption and generation.
- Introduced sensor-based lighting controls in critical operational areas.
- Deployed energy-efficient Variable Refrigerant Flow (VRF) air-conditioning systems, Brushless Direct Current (BLDC) fans and Light Emitting Diode (LED) lighting across facilities.

4.75 Lakhs units

Energy Conserved

Green Mobility and Low-Carbon Technologies

We are propelling our decarbonisation agenda by promoting sustainable mobility and consistently adopting cleaner technologies operation-wide. Through investments in alternative fuels and energy-efficient transportation solutions, we are minimising our environmental footprint.

Key highlights

- Installed nine solar-powered charging docks for electric two-wheelers across our yard.
- Transformed diesel-powered platform trucks into electric vehicles.
- Transitioned diesel-powered forklifts to Compressed Natural Gas (CNG)-powered systems.
- Developed battery-operated platform trucks through in-house innovation.
- Plan to replace acetylene with CNG for metal-cutting applications.
- Installed Solar Water Heaters of capacity 2000 LPD at employees canteen and 200 LPD at Training Institute Hostel.

9

Solar-Powered Charging Docks Installed

Waste Management and Circularity

We are integrating circular economy principles into our operations through waste-to-energy initiatives and digital solutions that ensure resource efficiency and decelerate environmental impact.

Key highlights

- Operate a 1 Tonne Per Day Bhabha Atomic Research Centre – Nisargruna **(1 TPD BARC–NISARGRUNA)** biogas plant that converts organic waste into biogas.
- Process food waste generated from canteens, hostels and ship galleys.
- Reduced paper consumption through a comprehensive electronic file management system.
- MoU with Clean Kerala Company Limited, a Government of Kerala enterprise, to facilitate the systematic segregation and disposal of industrial waste based on the 3R principles (Reduce, Reuse and Recycle), in line with CSL's sustainability objectives.

Environmental Compliance and Sustainable Infrastructure

We integrate environmental considerations into our day-to-day infrastructure projects and ensure compliance with all applicable regulations. Our major capital projects incorporate systems designed to safeguard marine ecosystems and promote responsible resource management.

Key highlights

- Executed the New Dry Dock (NDD) and International Ship Repair Facility (ISRF) projects worth ₹2,769 Crores in full adherence with environmental clearance requirements.
- Established Effluent Treatment Plant (ETP), Sewage Treatment Plant (STP) and Common Effluent Treatment Plant (CWTP) facilities to secure the marine environment.

Biodiversity and Green Infrastructure

We believe in strengthening environmental stewardship through biodiversity conservation, nature-based solutions and sustainable infrastructure development. Our initiatives are embedded in carbon sequestration that fosters greener and resilient operations.

Key highlights

- Installed five microalgae-based Liquid Tree units to absorb carbon dioxide and release oxygen.
- To undertake an afforestation study in collaboration with the Kerala Forest Research Institute (KFRI).
- To replace ageing trees with suitable species to enhance landscaping across all our premises.

5

Microalgae-based Liquid Tree units installed

Certifications and Recognition

- Emerged as the first Company in the shipping sector to receive the **GreenCo Silver Rating**, which was subsequently upgraded to **GreenCo Gold Rating**.
- Achieved **ISO 50001:2018 certification** for our Energy Management System
- Received the **Kerala State Energy Conservation Award** in 2025 and 2017.
- Honoured with the **Kerala State Renewable Energy Award** in 2017.

Social

Forging Our Ports of Belonging, Uplifting Lives

At CSL, CSR is integral to our commitment towards inclusive growth and sustainable development. Through focused and transparent initiatives, we strive to create meaningful social impact, strengthen communities and contribute to long-term nation-building.

Our interventions span areas such as education, healthcare, skill development, infrastructure development and environmental sustainability, enabling us to deliver measurable outcomes for the communities we serve.

CSR Vision

Cochin Shipyard Limited, in consonance with its Corporate Vision, looks forward to continue in the best tradition of being a responsible Corporate Citizen recognised for the quality of its products and services and respected for its ethical way of conducting business through the path of shared inclusive growth, thereby distributing the fruits of its prosperity towards improved quality of life of the society and contributing to environment and nature for sustainable development.

CSR Mission

CSL wishes

- To share part of its prosperity and resources to people and environment through the CSR outreach programmes.
- To improve the quality of life and make the world around it a better place to live.
- To handhold the marginalised sections of citizens to bring them to mainstream of life by economic and social empowerment.
- To project a positive and people and planet-friendly corporate image.
- To ensure tangible and measurable impact on the target population and place through asset creation, infrastructure development, etc.
- To work hand-in-hand with other corporate entities, Government organs, People's Representatives, other like-minded agencies to synergise the engine for nation-building.
- To adopt CSR as a way of conducting business and make it part of its organisational culture.
- To take all stakeholders of CSL such as its employees and contractors on board to further its CSR objectives.
- To leverage CSL's core competencies and resources, including its strengths in ship building and ship repair services, governance, human resources, business operations and development, facilities and networks towards improving the society and the environment on shared value principle.
- To adopt and implement corporate social responsibility policy and plans within the framework of the relevant Statutes, Guidelines etc including measuring, monitoring, evaluating and reporting of CSR interventions of CSL.

Key CSR Highlights of the Year

₹13.89 Crs.
CSR Budget

₹15.54 Crs.
CSR Spent

113
CSR Projects Undertaken

Health & Nutrition and PM Internship Scheme
CSR Theme for the Year

₹7.50 Crs.
Spent on CSR Theme

CSR So Far

₹150+ Crs.
CSR Spent

1,000+
CSR Projects Undertaken

Health & Nutrition

We recognise how accessible healthcare is paramount and improved well-being in building resilient communities is a necessity. Through our CSR initiatives, we seek to strengthen healthcare infrastructure, support vulnerable sections of society and contribute to healthier outcomes.

Key Initiatives

- Promoting menstrual hygiene and environmental sustainability through awareness programmes and distribution of menstrual cups in the island territories where CSL has a presence.
- Supporting the construction of a modern Ayurvedic dispensary to enhance access to traditional healthcare services.
- Developing open gym facilities to encourage community fitness and healthy lifestyles.
- Partnering with institutions of repute to establish a Nutri Food Lab for developing fortified food products, including multigrain flour and nutrition bars, to improve the nutritional well-being of women in Kochi.
- Facilitating access to safe drinking water through tube wells in the remote coastal villages, addressing challenges arising from salinity and water scarcity.
- Strengthening tuberculosis diagnosis, nutritional support and healthcare infrastructure across aspirational district and remote regions including island territories.

Education

We believe that education is a powerful driver of social and economic progress. Through our investments in educational infrastructure, innovation, digital inclusion, and skill development, we aim to create opportunities that help individuals develop future-ready skills and realise their potential.

Key Initiatives

- Strengthening Educational Infrastructure through the Classroom Expansion Initiative at Government Schools.
- Advancing Maritime Innovation by establishing Centres of Excellence in collaboration with universities.
- Encouraging innovation and creativity through support for the Young Innovators Programme (YIP), Kerala.
- Empowering academic excellence through the Collector's Super 100 initiative.
- Bridging the digital divide through IT infrastructure support by promoting digital learning through the deployment of advanced robotic kits under Kerala Infrastructure and Technology for Education (KITE).
- Building future-ready skills through the "Moulding Marginalised Youth – Welding for Nation Building" initiative.

Empowerment

We are committed to uplifting underprivileged communities through social inclusion, strengthening livelihoods and enhancing quality of life. Our initiatives are designed to create sustainable opportunities and enable communities to achieve long-term growth and self-reliance.

Key Initiatives

- Fostering community spaces through the establishment of Tribal Community Centres.
- Strengthening early childhood development and cultivating holistic community growth through supporting balwadis and day care centres in rural areas.
- Supporting inclusive development through rehabilitation centres for people with multiple disabilities.
- Providing care and protection through support for the construction of child care facilities.
- Empowering tribal communities through focused interventions in tribal regions.
- Enhancing welfare infrastructure at special schools.
- Promoting women entrepreneurship through the Matsya Sugandhi initiative.
- Encouraging holistic well-being through the establishment of Yoga Training and Research Centres.

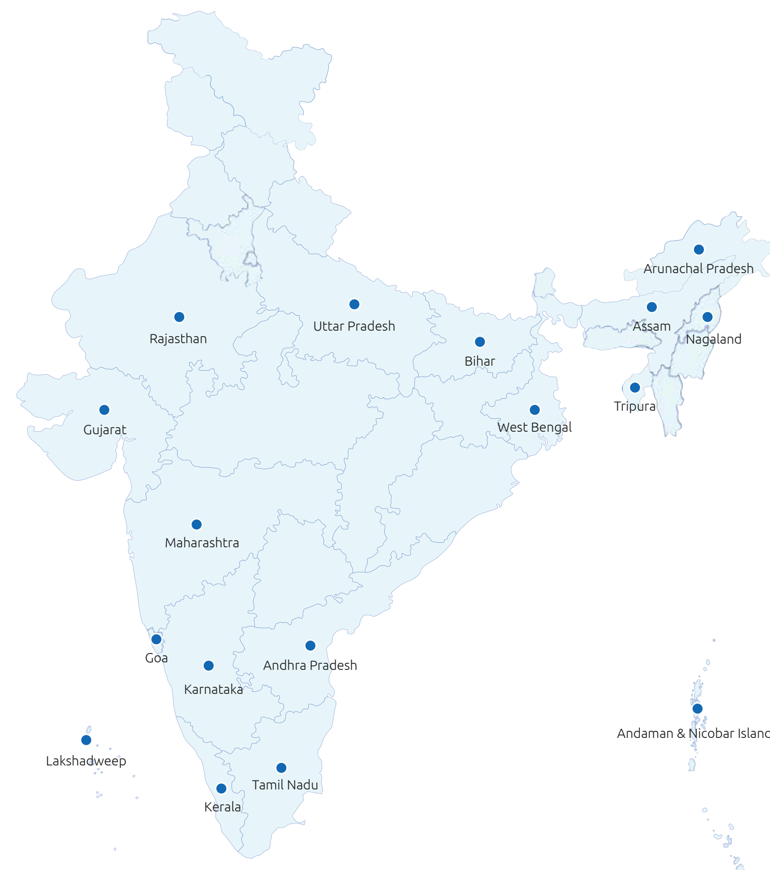
Heritage and Culture

We recognise the significance of preserving cultural heritage and promoting traditional knowledge systems. Through our initiatives, we support institutions and programmes that safeguard the nation's rich cultural legacy and strengthen community engagement.

Key Initiatives

- Preserving cultural heritage through the establishment of an outreach centre for Kerala Kalamandalam.
- Strengthening knowledge institutions through support for library infrastructure.

Our CSR Footprints



Map not to scale, for representation purposes only.

Aspirational District

As part of our commitment to inclusive growth, we have prioritised Wayanad as our aspirational district. Through focused interventions in healthcare, education and community development, we aim to accelerate socio-economic progress and improve regional lifestyle.

Key Initiatives

- Strengthening healthcare access through integrated cancer care initiatives.
- Ensuring the holistic development of tribal children in partnership with NGOs.
- Securing public health through interventions aimed at making Wayanad tuberculosis-free.

Governance

Directing the Future with Transparency and Integrity

Our governance framework is built on the core guiding principles of transparency, integrity, accountability and fairness. As a Central Public Sector Enterprise under the Ministry of Ports, Shipping and Waterways, we set highest benchmarks in appropriate ethical conduct and regulatory compliance.

Designed to support stakeholder trust and long-term value creation, our governance architecture promotes responsible business practices, effective oversight and continuous alignment with evolving regulatory and stakeholder expectations.

Our Policies

- Code of Conduct for Board and Senior Management
- Corporate Social Responsibility (CSR) Policy
- Nomination and Remuneration Policy
- Board Diversity Policy
- Risk Management Policy
- Insider Trading Code
- Whistleblower and Fraud Prevention Policy
- Ethics and Integrity Training Programmes
- Policy on Related Party Transactions
- Equal Opportunity Policy for Persons with Disabilities
- Policy on Prevention of Sexual Harassment of Women at Workplace
- Information Technology (IT) and Cybersecurity Governance Framework

● Chairperson ■ Member

Audit Committee | Nomination and Remuneration Committee | Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee | Stakeholders Relationship Committee | Risk Management Committee

Board of Directors

Progressing with Strategic Foresight

Shri Jose V J

Director (Finance) & Chief Financial Officer & Chairman and Managing Director (Additional Charge)

Shri Jose V J holds the addition charge of Chairman and Managing Director of the Company w.e.f. February 01, 2026. He has been serving as the Director (Finance) and Chief Financial Officer of the Company since August 2019. He is a member of the Institute of Cost Accountants of India and holds a degree in Law from Government Law College, Ernakulam. He was honoured with the Best CFO Award 2024 in Best Returns (Large Cap) category by Dalal Street Investment Journal. He has approximately 35 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also heading the Information Systems Department of the Company. He is also the Chairman of Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited, the wholly owned subsidiaries of CSL.

Dr. Harikrishnan S

Director (Operations)

Dr. Harikrishnan S assumed charge as the Director (Operations) of the Company on August 27, 2025. He began his career with the Company on December 30, 1995, as an executive trainee and rose through the ranks to become Executive Director (Ship Building) before being appointed as Director (Operations). He holds a Bachelor of Technology degree in Mechanical Engineering, a Master of Technology degree in Production Engineering, an MBA in International Business and a Doctorate (PhD) in Mechanical Engineering. With around three decades of experience in the Company, he has been involved in a wide range of functions in shipbuilding and ship repair including design, inspection & quality control, production, procurement, planning & project management. He also serves as the Chairman of Green Maritime Propulsion Private Limited, the JV Company formed by CSL and HBL Engineering Limited. He is also a Director in Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited, the wholly owned subsidiaries of CSL.

Shri Rajesh Gopalakrishnan

Director (Technical)

Shri Rajesh Gopalakrishnan assumed charge as the Director (Technical) of the Company on August 27, 2025. He joined the Company on December 30, 1995 as an executive trainee and rose through the ranks to become Executive Director (Ship Repair) before being appointed as Director (Technical). He holds a Bachelor of Technology degree in Mechanical Engineering and a Master's degree in Business Administration with specialisation in International Marketing. He has around three decades of experience in the Company spanning shipbuilding, ship repairs & conversion. His expertise covers the entire spectrum from business strategy, business build, estimation, contract management, procurement, planning, project management, invoicing, after sales & customer relations. He is also a Director in Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited, the wholly owned subsidiaries of CSL.

Shri Mukesh Mangal ITS

Part-time Official (Nominee) Director
(w.e.f. July 17, 2026)

Shri Mukesh Mangal ITS was appointed as the Part-time Official (Nominee) Director of the Company on July 17, 2026. He belongs to the Indian Telecom Service (ITS) of 1992 batch. He did B. Tech in Electronics and Communications. Presently, he is working as Additional Secretary in the Ministry of Ports, Shipping and Waterways. In the past he has worked in the Department of Telecommunications and Ministry of Home Affairs. He has work experience of more than 33 years in the subjects like internal security, cyber security and cyber-crime, telecommunication technology, lighthouses etc. He has been instrumental in establishing various national level security projects in the field of cyber-security, Sanchar Saathi portal and digital intelligence platform to curb misuse of telecom resources in cyber-crime. Presently, he is heading Vigilance, Shipping Unit & Sagarmala Wing including development of National Maritime Heritage Complex in Ministry of Ports, Shipping and Waterways. He is also a Government Nominee Director in Chennai Port Authority, Indian Port Rail & Ropeway Corporation Limited, Shipping Corporation of India Limited, Sagarmala Finance Corporation Limited, SCI Bharat IFSC Limited, India LNG Transport Company No.3 Limited, India LNG Transport Company No.4 Private Limited, India LNG Transport Company No.1 Limited and India LNG Transport Company No.2 Limited.

Shri Venkatesapathy S IAS

Part-time Official (Nominee) Director
(up to July 17, 2026)

Shri Venkatesapathy S IAS served as the Part-time Official (Nominee) Director of the Company from August 07, 2025 to July 17, 2026. He is a 2009-batch Indian Administrative Service (IAS) officer of the Kerala cadre, currently serving as Joint Secretary in the Ministry of Ports, Shipping and Waterways (MoPSW), Government of India. He holds a Degree of Bachelor of Technology in Production Engineering from Madras Institute of Technology, Anna University. In the span of his administrative service, he has held various key positions in the Government of Kerala including Sub Collector (Idukki, Devikulam and Kasargod), Secretary (Thiruvananthapuram Corporation), Managing Director (Supplyco), District Collector (Malappuram and Thiruvananthapuram), Director (Fisheries Department) and Managing Director (Kerala Water Authority). Prior to his current role, he joined the MoPSW on central deputation as Director (Shipping).

Smt. Anupama T. V. IAS

Part-time Official (Nominee) Director
(w.e.f. July 17, 2026)

Smt. Anupama T. V. IAS was appointed as the Part-time Official (Nominee) Director of the Company on July 17, 2026. She is a 2010-batch Indian Administrative Service (IAS) officer of the Kerala cadre. She is currently serving as the Secretary, Transport Department, Government of Kerala. She also holds full additional charge of Airports; Metro Rail; and Personnel and Administrative Reforms (Official Language) Departments of the Government of Kerala. An Electronics Engineering graduate from BITS Pilani (Goa Campus) and a Master in Public Administration from Harvard University, she has previously served in several key administrative positions in the Government of Kerala, including District Collector of Thrissur and Alappuzha, Food Safety Commissioner, Director of Tourism, Director of Scheduled Tribes Development, Land Revenue Commissioner and Secretary, Local Self Government Department (LSGD).

Shri P B Nooh IAS

Part-time Official (Nominee) Director
(up to July 17, 2026)

Shri P B Nooh IAS served as the Part-time Official (Nominee) Director of the Company from June 20, 2025 to July 17, 2026. A 2012-batch Indian Administrative Service (IAS) officer of the Kerala cadre, he currently serves as the GST Commissioner of Kerala. He holds a Bachelor's degree in Zoology from Mahatma Gandhi University, Kerala, a Bachelor's degree in Agriculture from Kerala Agricultural University, and a Master's degree in Agriculture from the University of Agricultural Sciences, Bangalore. Over the course of his career, Shri Nooh has served in several prominent positions in the Government of Kerala, including Special Secretary, Transport Department, Chairman & Managing Director, Kerala State Civil Supplies Corporation Ltd. (Supplyco), Director, Tourism Department, Director, Social Justice & Empowerment Department, Registrar of Cooperative Societies, District Collector, Pathanamthitta, Sub Collector, Ottapalam, Chief Executive Officer, LIFE Mission and Project Officer, Integrated Tribal Development Project, Attappady. He is known for his dynamic leadership, people-centric approach and impactful contributions to governance, particularly in areas of social development, public service delivery and tribal welfare.

Dr. Seema Suri

Non-official (Independent) Director

Dr. Seema Suri was appointed as a Non-official (Independent) Director of the Company on May 21, 2025. She is a Post Graduate in Arts from Ramjas College, University of Delhi and holds a B. Ed. degree from Maharshi Dayanand University, Rohtak. She has been awarded an Honorary Doctor of Literature (D.Litt.), titled Vidya Sagar, by Vikramshila Hindi Vidyapeeth, Bhagalpur, and the title Samaj Bhushan – Ph.D. (Vidyavachaspati) by Sahitya Mandal Shri Nath. She served as a Teacher and Block Incharge at Delhi Public School, Vasant Kunj from 1999 to 2016. She was also presenter of various educational and social programs on Radio and Doordarshan. Dr. Seema Suri is the Founder and National President of Sarva Seva Sansthan, an organization committed to social welfare. She has led several initiatives focused on education, health, environment and women empowerment. These include adopting government schools to enhance infrastructure, organizing health camps and awareness drives, conducting media workshops, leading monthly cleanliness drives, planting trees and running programs under Beti Bachao Abhiyan to support underprivileged children and train girls in self-defense. Her contributions have been recognized through multiple awards and honors from various national and international institutions. In addition, she is currently serving as the Member of Film Censor Board Advisory Committee, Delhi.

Dr. Vani Ahluwalia

Non-official (Independent) Director
(w.e.f. August 17, 2026)

Dr. Vani Ahluwalia was appointed as a Non-official (Independent) Director of the Company on August 17, 2026. She is a distinguished medical professional, public health administrator and social sector leader based in Jabalpur, Madhya Pradesh. She holds an MBBS from Dr. Panjabrao Alias Bhausaheb Deshmukh Memorial Medical College, Amravati, a Post Graduate Diploma in HIV and Family Education (DAFÉ) from IGNOU, a Post Graduate Diploma in International Human Rights from the University of Delhi, and an LLB from Rani Durgavati Vishwavidyalaya, Jabalpur, reflecting a multidisciplinary academic background spanning medicine, public health, human rights and law. She has further enrolled for the specialised courses from the University of Washington in "Non-Communicable Diseases (NCDs) in Global Health" and "Leadership and Management in Health in India". With over 25 years of professional experience, she currently serves as Senior Medical Officer at the ART Plus Centre, NSCB Medical College, Jabalpur, under the Madhya Pradesh State AIDS Society, and has previously served at the Tropical Forest Research Institute and J.K. Hospital, Jabalpur. She also serves as Managing Partner of JK Celebration and Ahluwalia Hospitality LLP, with experience in strategic decision-making, financial planning and business management. Dr. Vani Ahluwalia has held several leadership positions in the social and public sectors, including National Secretary of Ekal Arogya Prakalp (2020–2021), National Executive Committee Member of the Arogya Foundation of India since 2016, and Trustee and Vice President of Vishwa Hindu Parishad (Mahakaushal Prant) from 2021 to 2024. She has contributed to rural healthcare, telemedicine and COVID-19 response initiatives and has also served as a G20 Speaker. Her areas of expertise include healthcare management, medical administration, public health programme delivery, legal and regulatory matters, organisational governance, strategic planning, stakeholder engagement and community development.

Awards and Accolades

Setting Benchmarks of Excellence, Transforming Vision to Victory

Maritime Excellence Award for Shipbuilding and Ship Repair at India Maritime Week 2025.

Best Stall for Creative Visualisation at **India Maritime Week 2025.**

Innovative HR Practices Award from **National Institute of Personnel Management (NIPM).**

Swachh Bharat Pakhwada Award 2025 by the Ministry of Ports, Shipping and Waterways, Government of India.

Outstanding PSU of the Year Award at the prestigious **All India Management Association (AIMA) Leadership Excellence Awards** event.

Kerala State Energy Conservation Award 2025 from the Department of Power, Government of Kerala through the Energy Management Centre.

First prize for the Hindi home magazine **'Sagar Ratna'** from Kochi TOLIC (PSUs).

First runner-up for the Overall **Champion for the joint Hindi Fortnight celebrations, 2025**.

First prize for the implementation of official language from Kochi Town **Official Language Implementation Committee (TOLIC)** among the companies having more than 200 administrative employees.

Corporate Information

Board of Directors

Shri Jose V J
Director (Finance) & Chief Financial Officer & Chairman and Managing Director (Additional Charge)

Dr. Harikrishnan S
Director (Operations)

Shri Rajesh Gopalakrishnan
Director (Technical)

Shri Mukesh Mangal ITS
Additional Secretary
MoPSW, Govt. of India
Part-time Official (Nominee) Director
(w.e.f. July 17, 2026)

Shri Venkatesapathy S IAS
Part-time Official (Nominee) Director
(up to July 17, 2026)

Smt. Anupama T. V. IAS
Secretary, Transport Department
Govt. of Kerala
Part-time Official (Nominee) Director
(w.e.f. July 17, 2026)

Shri P B Nooh IAS
Part-time Official (Nominee) Director
(up to July 17, 2026)

Dr. Seema Suri
Non-official (Independent) Director

Dr. Vani Ahluwalia
Non-official (Independent) Director
(w.e.f. August 17, 2026)

Chief Vigilance Officer

Dr. C Pandi Selva Durai, IOFS

Company Secretary & Compliance Officer

Shri Syamkamal N

Leadership Team

Shri Eldho John
Executive Director (Technical)

Shri Shiraz V P
Executive Director (Ship Building)

Shri Deepu Surendran
Chief General Manager (C-SAS,BD-SB & BD)

Smt. Anjana K R
Chief General Manager (Design & Materials)

Shri Sivakumar A
Chief General Manager (Ship Repair)

Shri Shibu John
Chief General Manager (Finance)

Shri Sunil Kumar K R
General Manager (ESG & HSE)

Shri Jayan K Thampi
General Manager (Ship Building)

Shri Subash A K
General Manager (HR & LD)

Shri Santhosh Philip
General Manager (Training, METI & SD)

Shri Harikumar K
General Manager (Strategy & New Initiatives) & EA to CMD

Shri C A Sreekumar Raja
General Manager (Technical)

Shri A Vettriselvan
General Manager (Materials)

Shri Nagesh Krishna Moorthy
General Manager (BD-SB)

Shri Sanil Peter
General Manager (Ship Repair)

Shri Jathesh Chandra Gopinathan
General Manager (Basic Design)

Shri Suresh Babu V
General Manager (IAC & DP)

Shri Anoop Das
General Manager (PLG, I&QC & PD (SH40-45))

Shri Binoj Shankar
General Manager (Design)

Shri Subramanian K K
General Manager (ER)

Registered Office

Cochin Shipyard Limited
Administrative Building
Cochin Shipyard Premises
Perumanoor, Kochi – 682 015
Kerala, India

Bankers

State Bank of India
Canara Bank
Union Bank of India
IDBI Bank Limited
Axis Bank Limited
Bank of Baroda
Indusind Bank Limited
HDFC Bank Limited
ICICI Bank Limited
UCO Bank
Federal Bank Limited
South Indian Bank Limited

Statutory Auditors

M/s. Babu A. Kallivayalil & Co.
Chartered Accountants
Manchu Complex, 2nd Floor
P.T. Usha Road, Kochi – 682 011

Secretarial Auditors

M/s. SEP & Associates
Company Secretaries
Building No. CC 31/1590
Felix Road, Thammanam
Cochin – 682 032

Cost Auditors

M/s. Rajendran Mani and Varier
Cost Accountants
Alappat Buildings
Alappat Road, Ravipuram
Kochi – 682 016

Debenture Trustees

SBICAP Trustee Company Ltd.
4th Floor, Mistry Bhavan
122 Dinshaw Vachha Road
Churchgate, Mumbai – 400 020

Registrar & Transfer Agents

MUFG Intime India Pvt. Ltd.
(Formerly Link Intime India Pvt. Ltd.)
Surya 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road
Coimbatore – 641 028

Directors' Report

Dear Shareholders,

1. Your Directors have immense pleasure in presenting the 54th Annual Report of your Company along with the audited financial statements for the year ended March 31, 2026.

Financial Performance

2. Diversified operational segments and product profile helped the Company to achieve a turnover of ₹4,307.69 Crores for the year as compared to ₹4,527.84 Crores in the year 2024-25. The profit before tax is ₹886.40 Crores for the year as against ₹1,133.85 Crores in the previous year. The net profit is ₹643.04 Crores as compared to ₹842.91 Crores for the previous year.

3. The authorised share capital of the Company is ₹2,50,00,00,000 divided into 50,00,00,000 equity shares of face value of ₹5 each. The paid-up share capital of the Company is ₹1,31,54,03,900 divided into 26,30,80,780 equity shares of face value of ₹5 each.

Financial Highlights

(₹ Crores)

Sl. No.	Particulars	2025-26	2024-25
(i)	Gross Income	4,712.26	4,908.29
(ii)	Profit before finance cost, depreciation, tax and exceptional items	1,080.39	1,253.94
(iii)	Finance costs	83.16	36.45
(iv)	Depreciation and write off	110.83	83.64
(v)	Profit Before Tax	886.40	1,133.85
(vi)	Tax Expense	243.35	290.94
(vii)	Net profit	643.04	842.91

Dividend

4. As per Office Memorandum F.No.5/2/2016-Policy dated November 18, 2024 issued by the Department of Investment and Public Asset Management (DIPAM), every CPSE has to pay a minimum annual dividend of 30% of PAT or 4% of the networth, whichever is higher. Accordingly, your Directors are pleased to recommend a final dividend of ₹1.50 per share on the 26,30,80,780 fully paid equity shares of ₹5 each. Earlier, interim dividends of ₹4 and ₹3.50, aggregating to ₹7.50 per equity share had been paid to the shareholders during 2025-26. Thus, the total dividend for the year 2025-26 is ₹9 per equity share (180%), amounting to ₹236.77 Crores. During the reporting period, the unpaid/ unclaimed Final Dividend for the year 2017-18 and the corresponding eligible equity shares became due for transfer to the Investor Education and Protection Fund (IEPF) pursuant to Section 124 of the Companies Act, 2013. Accordingly, the unclaimed dividend of ₹5,97,180 pertaining to the Final Dividend for the year 2017-18, was transferred to the IEPF Authority on October 09, 2025. Further, 2,799 equity shares in respect of which the dividend remained unclaimed for seven consecutive years, were also transferred to the demat account of the IEPF Authority on October 10, 2025.

Dividend Distribution Policy

5. As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1,000 listed entities shall formulate a dividend distribution policy. Accordingly, dividend distribution policy has been adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/ or retaining the profit into the business. The policy is available on the website of the Company at the link https://cochinshipyard.in/investor/investor_titles/68.

Transfer to Reserves

6. The details of the amount transferred to reserves are given at Note 23 of the Standalone Financial Statements of the Company for the year ended March 31, 2026 which forms part of the Annual Report. As on March 31, 2026, the Company has Reserves and Surplus amounting to ₹5,761.29 Crores which reflects the inherent financial strength of the Company. As per the amendment made to the Companies (Share Capital and Debentures) Rules, 2014 notified vide Notification No. G.S.R. 574(E) by the Ministry of Corporate Affairs, the Company is not required to create Debenture Redemption Reserve in respect of the bonds issued by it. As on March 31, 2026, 8.72% Tax Free, Secured, Redeemable, Non-Convertible Bonds of only ₹23 Crores are outstanding for CSL, which will mature in March 2029.

Shipbuilding

7. The Company achieved a total shipbuilding income of ₹2,651.39 Crores during 2025-26 as against ₹2,663.27 Crores in 2024-25. During the year CSL successfully delivered two Hybrid Electric Catamaran Hull Vessels to

Kochi Metro Rail Limited (KMRL), two Anti-Submarine Warfare Shallow Water Crafts (ASW SWC) to the Indian Navy, one Multi-Purpose Vessel (MPV) to HS Service GMBH & Co. KG, Germany and one Hybrid Electric Catamaran Passenger Vessel to Inland Waterways Authority of India (IWAI).

Shipbuilding Order Book Position

8. During the year 2025-26, CSL received an order for construction of two Tugs of 70 T Bollard Pull Power and two Green Tugs of 60 T Bollard Pull Power from Polestar Maritime Limited. CSL also secured an order for constructing four 26-metre fully electric 'TRAnsverse' ("TRAnsverse 2600E") 70 Ton Bollard Pull Tugs for Svitzer, Denmark and an order for construction of six 1,700 TEU LNG Fuelled Feeder Vessels from CMA CGM, France. The unexecuted order book of the Company as on March 31, 2026 stands at around ₹18,900 Crores, consisting of around 51 vessels with Defence order book at ₹12,150 Crores consisting of 12 vessels, Commercial (domestic) order book at ₹725 Crores consisting of 16 vessels and Commercial (export) order book at ₹6,025 Crores consisting of 23 vessels. Out of the total Commercial order book of ₹6,750 Crores, around 90% is export order and around 40% comprises of green vessels.

Ship Repair

9. During the year, the Company achieved a total ship repair income of ₹1,656.30 Crores, compared to ₹1,864.57 Crores in the previous year. Major vessels repaired during the financial year at the CSL Kochi main yard include defence vessels including Aircraft Carrier, Swarna-series tankers of SCI, and SPM Buoy–01, among others. CSL also successfully completed repairs of private commercial vessels MT Orchids and Shanti Sagar 17, meeting internationally benchmarked turnaround time. The conversion project – MR and MLU and Re-engining of defence vessel is in the final stages of completion. CSL also successfully undertook repairs of DCI Dredge VIII, marking the first ship repair project executed in the New Dry Dock following its commissioning. Further, after a gap of 17 years, CSL secured the contract for dry dock repairs of JUR Sagar Kiran of ONGC, which is currently under repair in the New Dry Dock.

10. The International Ship Repair Facility (ISRF), developed on land leased from the Cochin Port Authority, is a state-of-the-art facility aimed at enhancing India's ship repair capabilities for handling vessels of maximum 130 metre length. Constructed at a cost of ₹970 Crores, the facility includes a 6,000 T capacity ship lift and transfer system, six workstations and around 1,400 metres of berthing space, enabling simultaneous repair of six vessels and an annual throughput of up to 82 ships. This facility, inaugurated by the Hon'ble Prime Minister, Shri Narendra Modi on January 17, 2024, was brought into full-fledged operations during the financial year. Around 35 refits were undertaken at ISRF during the reporting period, covering a wide variety of vessels from clients such as LDCL, Indian Navy, Dulan International, NIOT and FSI. The Medium Refits of two RE class defence vessels are currently in the advanced stages. The ISRF reported a revenue of ₹207.33 Crores for FY26. Further, ten globally renowned firms in the maritime industry have already partnered with CSL for setting up their units in the Maritime Park situated at ISRF in the first phase and six firms started their operations.

11. During FY 2025-26, CSL Mumbai Ship Repair Unit (CMSRU) undertook dry dock and afloat repairs of 12 vessels, including normal and short refits for various government agencies and the Indian Coast Guard, as well as minor and major repairs for commercial clients. Refits of four JSW bulk carriers were executed under the MoU signed with JSW Shipping & Logistics Private Limited for repair of their fleet. Since its operationalisation, CMSRU has successfully completed repairs of approximately 137 vessels and the Unit has achieved a record turnover of ₹208.72 Crores during the financial year. An additional berth ID-9 was allocated to CMSRU in July 2025 by Mumbai Port for further augmenting its repair capabilities at Mumbai.

12. Since commencing operations in October 2019 at Netaji Subhas Dock, Kolkata, CKSRU (CSL Kolkata Ship Repair Unit) has successfully completed 33 refit projects. During FY 2025-26, nine refits were undertaken, including major dry dock and repair works for Indian Coast Guard, SMPA, SCI, DCI and GRSE vessels. Key projects executed include MV Swaraj Dweep, MV Kalighat, ICGS Samudra Paheredar, Yard 3022 (P17A), DV Rabindra and DCI Dredge XXI. Operations commenced at the dedicated berth 6 NSD in July 2025. Significant infrastructure upgrades, including development near Dry Dock 2, refurbishment of existing facilities and procurement of a hydra crane were also completed, strengthening CKSRU's operational capabilities. CKSRU earned a total revenue of ₹100.12 Crores for FY26.

13. During FY 2025-26, CANSRU (CSL Andaman & Nicobar Ship Repair Unit) achieved a record turnover of ₹228.39 Crores by completing 11 dry dock repairs, 11 afloat/ routine repairs, two major CSM routines and 1,437 emergency repairs. The Unit also marked five years of successful operations, ensuring reduced turnaround time for DSS ship repairs, enhanced repair quality and improved vessel

reliability, thereby greatly improving vessel availability for the island population from 4 vessels to 15 vessels in the foreshore sector and 11 inland vessels for DSS. CANSRU has consistently met its turnover targets over the past four years while contributing to skill development through training initiatives, expanding its vendor base and strengthening a reliable repair ecosystem. Approval is awaited from A&N Administration on the DPR submitted for Marine Dockyard modernisation.

Expansion Projects

Ship Repair Facility at Vadinar, Gujarat

14. CSL along with Deendayal Port Authority (DPA), under the aegis of the Ministry of Ports, Shipping and Waterways (MoPSW), Government of India, is developing a state-of-the-art Ship Repair Facility at Vadinar, Gujarat for repair of vessels up to 300 m length, with a combined investment of ₹1,570 Crores. The project is planned as a brownfield facility with a 650 metres jetty, two large floating dry docks, workshops and associated marine infrastructure. DPA will develop the civil infrastructure, including jetties, at an estimated cost of ₹650 Crores and CSL will bring in the ship repair infrastructure including two large floating docks costing about ₹920 Crores and operate the facility. The project has been approved by the Cabinet Committee on Economic Affairs (CCEA) on May 05, 2026.

CSL Strategic & Advanced Solutions (C-SAS)

15. In order to tap new revenue generation streams beyond the current Shipbuilding & Ship Repair portfolios, a dedicated division named CSL Strategic & Advanced Solutions (C-SAS) was formed to enable the Company to venture into the arena of strategic and knowledge driven future technologies in the maritime sector. C-SAS has been actively engaged in identifying and developing sustainable and future-oriented business models. Various innovative initiatives undertaken by C-SAS Division during the financial year 2025-26 are more specifically covered in the Management Discussion and Analysis Report.

Subsidiary Companies

(i) Hooghly Cochin Shipyard Limited (Hooghly-CSL)

Hooghly-CSL was initially set up as a joint venture between CSL and Hooghly Dock & Port Engineers Limited (HDPEL) on October 23, 2017. Pursuant to the approval of the Union Cabinet, CSL acquired the shares held by HDPEL and with effect from November 01, 2019, Hooghly-CSL became a wholly owned subsidiary of CSL.

The Company set up a new state-of-the-art ship building and repair facility at Nazirgunge and on August 16, 2022, the facility was dedicated to the nation by Shri Sarbananda Sonowal, the Hon'ble Minister of Ports, Shipping and Waterways, Government of India. The facility has been set up in an area of 15.76 acres on the banks of river Hooghly at a cost of ₹175.20 Crores with an intention to position itself as a premier shipbuilding/ repair yard in the East Coast of India for inland and coastal vessels.

During the financial year 2025-26, Hooghly-CSL successfully delivered one Hybrid Electric Catamaran Passenger Vessel contracted for Inland Waterways Authority of India (IWAI), for deployment in National Waterways 1 and 2. Hooghly-CSL has an unexecuted order book of around ₹200 Crores as on March 31, 2026.

Hooghly-CSL has reported a total income of ₹129 Crores for FY26 as against ₹62.40 Crores for the previous year. The Company has reported a loss of ₹19.53 Crores for FY26 as against a loss of ₹17.38 Crores for the previous year.

(ii) Udupi Cochin Shipyard Limited (Udupi-CSL)

Udupi-CSL is a wholly owned subsidiary of CSL based in Udupi and is primarily engaged in building small and medium sized vessels. During the financial year 2025-26, Udupi-CSL delivered four 3,800 TDW Cargo Vessels to Wilson ASA, Norway, along with two 70T Bollard Pull Tugs to Ocean Sparkle Limited. Udupi-CSL has an unexecuted order book of over ₹2,000 Crores as on March 31, 2026.

Coming to the financials, Udupi-CSL reported a total income of ₹630.21 Crores for the year ended March 31, 2026, compared to ₹278.62 Crores in the previous year. The revenue from operations increased to ₹618.12 Crores in FY 2025-26, up from ₹265.64 Crores in FY 2024-25. The Company reported a profit of ₹93.39 Crores in FY 2025-26, compared to a profit of ₹2.63 Crores in FY 2024-25.

Strategic Initiatives

(i) Investing in Marine Electrification Technologies – JV with HBL

CSL is in the advanced stages of forming a Joint Venture Company with HBL Engineering Limited (HBL) for the purpose of developing electric mobility technology and energy storage solutions in the maritime space to cater to both domestic and global markets. Towards this a Joint Venture Agreement has been executed between CSL and HBL on March 25, 2026 and the incorporation of the Company under the Companies Act, 2013 is in progress. The proposed Joint Venture Company, to be named

'GREEN MARITIME PROPULSION PRIVATE LIMITED', will have an initial share capital of ₹9 Crores, with CSL investing 40% and HBL investing the remaining 60%. The registered office of the Joint Venture Company will be situated in Hyderabad, India.

(ii) Acquiring stake in an overseas ship design company – Conoship International Holding B.V., Netherlands

CSL plans to acquire 23% equity stake in Conoship International Holding B.V., Netherlands to enable CSL to penetrate to European coastal and short sea shipping with advanced design solutions. The Department of Investment and Public Asset Management (DIPAM) has concurred the proposal and the process of acquisition has been initiated.

(iii) India Ship Technology Centre (ISTC)

In March 2026, CSL became a subscriber member with Board representation of the India Ship Technology Centre (ISTC), a Section 8 (non-profit) Company incorporated under the aegis of the Ministry of Ports, Shipping and Waterways (MoPSW), Government of India. ISTC is established to promote research, development and technological advancement in the field of shipbuilding and marine engineering in India. It aims to strengthen indigenous capabilities in ship design, naval architecture and marine systems and to provide advanced facilities for testing and validation of ship technologies.

Manpower Status

16. The manpower strength of the Company as on March 31, 2026 was 4,013 consisting of 529 executives, 269 supervisors, 1,333 workmen and 1,882 on-contract employees (245 officers, one supervisor and 1,636 workmen). Further, as on March 31, 2026, the Company also had 1,301 trainees including 644 under the Apprentices Act, 1961, 22 from the Centre of Excellence in Maritime and Shipbuilding (CEMS) and 29 under the Prime Minister's Internship Scheme (PMIS).

17. During the year 2025-26, CSL recruited a total of 1,477 personnel comprising of three executives, 45 executive trainees, two supervisors, 35 workmen, 664 on-contract employees (87 officers and 577 workmen), 728 trainees including 665 under the Apprentices Act, 1961, 24 from CEMS and 39 under PMIS.

Industrial Relations

18. CSL continued to maintain and foster cordial industrial relation atmosphere during the year. There was no loss of man hours on account of labour unrest due to reasons attributable to the Company exclusively.

19. The executives and non-unionised supervisors also continued to contribute their best to the Company during the year.

20. The joint management forums like joint councils, shop council, central safety committee, shop level safety committees, contract worker safety committee, canteen management committee, employees' contributory provident fund trust etc., continued to function effectively.

21. Employees and their dependents welfare and wellbeing are well taken care through various voluntary schemes like Employees Medical Assistance Scheme, Employees Pension Scheme, Shipyard Parivar Prathibha Puraskar Scheme, Employees Educational Assistance Scheme etc.

Human Resource Development

22. CSL gives utmost importance in empowering employees' growth and developing their knowledge, skills and capabilities to drive better business performance. Acknowledging this fact, CSL has defined continuous learning as one of its cultural competencies and is constantly engaged in up-skilling the workforce.

23. In line with the above, several learning and development activities were carried out during the year 2025-26 spanning various sectors and covering both technical and non-technical workforce. The Company has implemented a training scheme 'Igniting Minds' wherein the senior executives of the Company were nominated for various programmes on divergent topics such as ESG, climate change, and building future ready organisations and artificial intelligence strategy by IIM Bangalore, AI for managers, high impact leadership, project management, coaching and mentoring for effective leadership by IIM Lucknow, operational and organisational excellence, responsible AI and emerging frameworks, MDP on finance for non-finance executives by MDI Gurgaon, the winning edge: communication strategies for leaders, mergers, acquisitions and restructuring, interpersonal effectiveness and team building, strategic human resource management by IIM Ahmedabad, etc.

AOTS (Association for Overseas Technical Cooperation and Sustainable Partnerships) Training in Japan

24. A total of 40 employees attended a customised training programme in Japan, conducted in two batches of 20 participants each in November 2025 and February 2026 respectively. Each batch comprised one Executive, two Supervisors, and 17 Workmen. To encourage greater gender representation in skill development initiatives, women employees were included in both batches. The

training programme was a combination of classroom coaching and factory visits including shipyards in Japan. The training programme covered areas such as Japanese work culture, workplace management, social behaviour, culture displayed by Japanese in public places and included visits to a shipbuilding company and other major industries to get a feeling of latest technology in use, safety management practices, robotics technology in action and productivity improvement practices through 5S and Kaizen.

Other Foreign Training

25. During FY 2025-26, one senior executive attended a two-week DFC course on innovation management at Copenhagen, Denmark (August 2025). Furthermore, one junior executive attended a DFC course on decarbonisation, energy efficiency and new green solutions in shipping at Copenhagen, Denmark (November 2025). Two Executives attended Osaka expo to Japan-CII learning mission at Yumeshima Island, Osaka (August 2025).

Customised Internal Trainings

26. During the financial year 2025–26, CSL organised a wide range of customised in-house training programmes to enhance the competencies of executives, supervisors and employees. The initiatives included Management Development Programmes on general management and project management in collaboration with leading academic institutions, competency-based residential training on teaming and communication skills and welding, orientation programmes for retiring employees, security sensitisation sessions, training on first aid, the POSH Act, energy management system awareness and programmes on service conditions, cyber hygiene and security, procurement, General Financial Rules (GFR), public procurement policy and GeM during Vigilance Awareness Week 2025. In addition, CSL conducted the Young Officers Competency Development Programme (YOCDP), Supervisors Competency Development Programme (SCDP) and in-house mentoring sessions for mentors and mentees, addressing the organisation's specific capability development needs.

27. During the financial year 2025–26, CSL conducted over 306 training programmes, totaling around 8,706 man-days, both in-house and at premier institutions, benefiting more than 6,758 participants. Emphasising the importance of continuous learning and leadership development, CSL introduced its leadership talk series, Prajyoti and Prajnan. These sessions are designed to inspire and engage the workforce through short talks delivered by distinguished personalities from diverse fields.

Educational Scholarships to Wards of Employees

28. 'Shipyard Pariwar Prathibha Puraskar', an educational scholarship scheme introduced from the year 2016 aims to reward and promote the star performers among the wards of regular employees of CSL. A scholarship of ₹25,000 per year for a maximum period of five years shall be bestowed in the order of highest marks scored by the wards in class XII final examination. During the year 2025-26, 22 eligible students have been granted scholarship under the said scheme.

Recognising Excellence

29. CSL has introduced the Employee Excellence Awards Scheme to recognise and reward innovative ideas and practices among employees up to the level of AGM. The highest honour under the scheme is the Chairman's Award, which comprises a citation and a cash prize of ₹15,000.

30. During the Independence Day celebrations in 2025, 41 employees (eight executives, one supervisor, 24 workmen and eight on-contract personnel) were honoured with the Chairman's Commendation, which carries a cash prize of ₹2,000. During the Republic Day celebrations in 2026, one employee was bestowed with the Chairman's Award and 29 employees (ten executives, five supervisors, ten workmen and four on-contract personnel) were awarded the Chairman's Commendation.

International Yoga Day

31. Employees and their family members were encouraged to observe International Day of Yoga. As a part of this, CSL conducted common yoga protocol practice on June 21, 2025, in order to promote yoga with an aim to relieve stress, support good health habits and improve mental/emotional health. Further, live streaming of the event was also made available for participation by family members of the employees.

Marine Engineering Training Institute (METI)

32. During the financial year 2025–26, METI continued to strengthen its position as a premier maritime training institute by successfully training 140 Graduate Marine Engineering (GME) cadets under the one-year programme approved by the Directorate General of Shipping (DGS), while 160 GMEs are currently undergoing training following the enhancement of its approved intake capacity from 140 to 160.

33. METI also facilitated the six-month afloat training for 18 students of the four-year marine engineering programme from Sree Venketeswara College of Engineering (SVCE), Chennai. Five SVCE students are currently pursuing the course.

34. During the year 2025-26, METI conducted 64 batches (864 trainees) of the one-day/ three-day basic firefighting practical training programme for outside candidates. METI actively participated in the National Maritime Day Celebrations 2025 organised by the Mercantile Marine Department (MMD), Kochi, for which it received appreciation awards from the MMD, Kochi, on April 05, 2026. METI also observed World Blood Donor Day and conducted in-house seminars for the 51st and 52nd batches of GMEs.

35. METI conducted three batches of the Oil and Chemical Tanker Familiarisation course for 65 students and one batch of Gas Tanker course for 21 students from September 2025 to January 2026. On February 27, 2026, METI organised a 'Meet and Greet the Candidates 3.0' programme, which was attended by 44 students from various engineering colleges, aspiring for GME-sponsored seats from reputed shipping companies. Several shipping company officials visited METI and interacted with students.

36. In alignment with IMO regulations and Amrit Kaal Vision of the Government of India, CSL METI and Bernhard Schulte Ship Management (India) Pvt. Ltd. (BSM) have signed an MoU to conduct one-day practical firefighting and IGF (basic and advanced) training courses for BSM seafarers. These DGS-approved courses are designed to meet the international code of safety for ships using gas or other low flash point fuels. CSL has successfully trained 302 seafarers across 31 batches under this programme.

37. CSL and Maersk A/S, Denmark have signed an MoU for collaboration in various key areas. The MoU inter alia promotes knowledge exchange on global standards to build world-class capabilities in line with the Government of India's Maritime India Vision (MIV) 2030 and Maritime Amrit Kaal Vision (MAKV) 2047, which together envision India as a premier global maritime hub. Further, CSL and Maersk have signed an MoU for sponsoring ten GME trainees of METI. Presently, they have sponsored eight GME trainees. Furthermore, CSL METI has developed skill-enhancement programmes viz., 'five days Fitter Enhancement Training Programme' and 'five days Welder's Bridging Training Programme' for the seafarers of Maersk. So far CSL has completed the above up-skilling training programme for 11 batches of 133 seafarers of Maersk.

38. Further, METI received A1 Grade (Outstanding Grade) by LR Class on behalf of the Directorate General of Shipping in the CIP Audit for the year 2025. METI has received the A1 Outstanding Grade for three consecutive years.

Training Institute

39. The Training Institute conducted various training programmes on employability, communication skills, soft skill for hard situations and anti-drug abuse and cyber security for Act apprentices and trainees completing their apprenticeship programmes. In addition, the Training Institute provided skill development training for 76 MEWP (Mobile Elevating Work Platform) operators including CSL employees, on-contract workmen, trainees and employees of contractors. Moreover, the CSL Training Institute provided internships to a total of 1,542 degree and management students from various colleges across the country. During the year 2025-26, CSL imparted training to 704 trainees, including 665 under the Apprentices Act, 1961, and 39 under the Prime Minister's Internship Scheme (PMIS). Furthermore, the CSL Training Institute has commenced two batches of a two-year rigger training course under the Skill Development Programme.

40. ASAP Kerala Collaboration – In line with the Government of India's initiative on skilling, re-skilling and up-skilling manpower for the growing maritime industry, CSL and the Additional Skill Acquisition Programme (ASAP) Kerala, a Section 8 company under the Higher Education Department, Government of Kerala, have signed an MoU to provide multi-skill training in shipbuilding, ship repair and marine engineering for ITI-certified youth. As per the MoU, ASAP provides two months of theory training, CSL provides three months of practical training and nine months of on-the-job training. CSL also provides one-year contract employment after completion of the training. A joint certification is awarded by CSL and ASAP.

41. CSL developed the 'Marine Structural Fitter Training Programme', a multi-skilling initiative that commenced in February 2022. About 92 candidates have completed the programme, with 93 candidates currently undergoing training.

Prime Minister's Internship Scheme (PMIS)

42. CSL remains committed to nurturing future professionals by supporting national initiatives aimed at building a skilled and competent workforce. As part of the Prime Minister's Internship Scheme (PMIS), CSL has provided hands-on experience to 39 interns with the objective of bridging the gap between academic learning and professional practice, thereby promoting skill development and employability among youth.

CSL Academia Collaboration Policy

43. CSL has formalised its commitment to research and innovation through the introduction of the CSL Academia Collaboration Policy (COLLAB). This policy establishes a structured framework for strategic partnerships with academic institutions, aimed at fostering skill development, process enhancement and technological advancement

within CSL and the wider maritime sector. Under this scheme, 17 students are currently undertaking projects, two students are engaged in internships and four faculty members are undergoing professional training at CSL.

Employee Welfare Measures

44. Child Care Leave (CCL) – From the calendar year 2025, those employees (executives, supervisors or workmen) with two years of regular service in CSL shall be eligible for CCL up to two years (i.e., 730 days). All women employees with dependent disabled children (40% or more disability) are eligible for CCL without age restrictions. All single parents (male or female) with minor dependent children (up to 18 years old) are also eligible for CCL for purposes such as exams or sickness during the entire service.

45. Employee Welfare Crowd Funding Scheme – CSL has launched an Employee Welfare Crowd Funding Scheme 'Cochin Shipyard Employees Parivar Parirakshan Yojana (SEPPY)' in order to support the bereaved family of an employee in the event of death of an employee. The scheme operates in such a way that an amount of ₹600 will be collected from each employee on the rolls of the Company in the event of death of a regular employee. As per the scheme, the Company will provide financial support at the rate of 1.5 times of fund collected through employee crowd funding, subject to a limit of ₹15 Lakhs in the event of each natural death case. The maximum benefit provided to the dependents through the scheme shall be ₹25 Lakhs. During the financial year 2025–26, an amount of ₹25 Lakhs was disbursed to the dependents of a deceased employee in accordance with the provisions of the scheme.

46. Enhancement of relief under Cochin Shipyard Employees Mutual and Public Welfare Trust (CSEMPWT) – CSL enhanced the financial death relief to ₹8 Lakhs and funeral expenses to ₹25,000 to the dependents of the members of the trust in the event of death of an employee.

47. Welfare assistance and special casual leave for the care of differently abled children – CSL is granting monthly welfare assistance of ₹4,500 to all permanent employees who are having differently abled wards. They are also given time off for taking care of the ward in emergency situations limited to a maximum of 5 special casual leaves in a calendar year.

48. Modified CSL Medical Assistance Scheme – CSL has modified the medical assistance scheme for employees by empanelling 34 hospitals (Super-specialty/ multi-specialty/ specialty and other-specialty hospitals) in Ernakulam district for the treatment of CSL employees and their eligible dependent family members. The expenses towards the inpatient/ day care treatment availed at these 34 empanelled hospitals shall be settled directly by CSL to the hospital. In the case of hospitals outside Ernakulam district, the admissible treatment expenses shall be reimbursed to the employees.

49. CSL Rudder Actionable Insights, Informed Decisions – A mobile application developed and launched as a part of the digital transformation initiatives of CSL. The application offers a bunch of new facilities to CSL users. The application can be used by both internal users like all permanent staff including officers, supervisors and workmen and external users like retired employees etc. Employee profile, attendance details, salary slips, leave details, medical claims status, dependents information, loan details, PF data, capture reporting time etc., are some of the features included in Rudder application.

50. Infertility treatment scheme was launched in the year 2020 for providing reimbursement of medical expenses incurred for infertility treatment for all permanent employees. An amount not exceeding ₹1 Lakh per cycle or the actual cost whichever is lower is permitted for reimbursement and the same will be allowed up to a maximum of three fresh cycles with prior approval. Special leave for a maximum of 10 days in a year and a maximum of 20 days are being granted during the service of an employee who undergo procedures as part of infertility treatment. A total of 31 employees were granted permission to avail the benefits under this scheme as on March 2026.

51. National Pension System (NPS) was introduced in CSL in order to facilitate contributory pension scheme for all permanent employees. CSL is contributing 10% of the wages (Basic + DA) to the individual account of the employees as employer contribution from April 2021 onwards. The scheme provides attractive income tax benefits to the employees and also ensures a hassle-free life post retirement.

52. CSL introduced paternity leave in the year 2019 to male employees of the Company including for valid adoption of a child below the age of one year.

53. CSL as a people first and people caring organisation felt the necessity to support the employees availing leaves owing to rare and extra ordinary circumstances such as treatment for cancer, organ failure and organ transplantation. From the calendar year 2023, 180 days of special leave during the service period has been sanctioned to all regular employees for undergoing treatment of cancer like surgery, chemotherapy or organ failure or donation of organ. There are also cases reported where the dependents of employees are in the similar situation and the employees have to avail leave to take care of them. As a support for

the ailing family members, special leave can also be availed by employees for the days required for chemotherapy and organ transplantation of their dependents.

54. It has also been noted that a number of CSL employees are donating blood to the needy as a noble act and a life-saving gesture. All regular employees are also allowed to avail special leave for one day for donating blood, subject to a maximum of three occasions in a year.

55. Further, as part of the Company's employee health and well-being initiatives, CSL successfully completed the Annual Health Check-up programme for all regular employees during the financial year 2025–26.

Encouraging Thought Provoking Ideas

56. 'Nethruthwa Samvriddhi Yojana' – Leadership Acceleration Programme (LEAP) was launched in the year 2016 to encourage and motivate executives in the grades E1 to E4 for pursuing higher studies in premier institutes both in India and abroad. The core benefit under the scheme is not only a grant of study leave for two years, but reimbursement of tuition fees in installments after they come back and join for duty. A maximum of three applicants are considered on an annual basis under LEAP scheme.

57. Mentor-Mentee scheme was launched in the year 2016 for ensuring personalised special attention by a senior executive. This collaboration gives junior executives, who are freshers, a feeling of engagement, belongingness and significant improvement in the inter and intra personal relationship in the organisation which lead to better retention.

Professional Assessments

58. Through an elaborate competency mapping exercise, four cultural competencies namely teaming, execution excellence, constraint breaking and continuous learning have been identified for CSL. These cultural competencies have been incorporated in all HR sub systems like recruitment, training, performance management, career development etc.

Status on Affirmative Action to Implement Presidential Directives on Reservations

59. Cochin Shipyard has been strictly complying with the Presidential directives and guidelines on reservation for Scheduled Caste (SC)/ Scheduled Tribes (ST)/ Other Backward Classes (OBC)/ Persons with Benchmark Disabilities (PwBD)/ Economically Weaker Sections (EWS) and Ex-Servicemen issued by the Government of India from time to time. The Company has appointed separate liaison officers for SC/ ST/ OBC/ PwBD/ EWS and Ex-Servicemen to oversee the implementation of reservation policies. Reservation percentage is ensured through the maintenance of post-based roster system as prescribed by the Government of India.

Representation of SC/ ST/ OBC/ EWS, Persons with Benchmark Disabilities (PwBD) and Minority Employees

60. The representation of SC, ST, OBC, EWS, Persons with Benchmark Disabilities (PwBD) and Minority employees in various groups of posts as on March 31, 2026 is given below:

Category	Total Strength	SC	ST	OBC	EWS	PwBD	Minority
Group A	384	49	20	116	1	8	108
Group B	188	20	8	88	2	1	45
Group C	1,180	155	15	632	1	28	287
Group D	379	47	5	267	1	11	91
Total	**2,131**	**271**	**48**	**1,103**	**5**	**48**	**531**

Provision for Safeguard of Women

61. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and Rules framed thereunder are strictly complied with, including constitution of Internal Complaints Committees, which are chaired by senior woman executives. The Company has taken various initiatives for spreading awareness for prevention of sexual harassment including conducting sensitisation programmes across the organisation.

62. The details of complaints of sexual harassment filed under the POSH Act during the financial year 2025-26 is given below:

(i)	number of complaints pending as on March 31, 2025	1
(ii)	number of complaints received during the financial year 2025-26	2
(iii)	number of complaints disposed of during the financial year 2025-26	1
(iv)	number of complaints pending as on March 31, 2026	2
(v)	number of cases pending for more than 90 days	2

63. CSL has a woman Welfare Officer specifically to promote women empowerment activities and to formulate and implement welfare measures according to the needs of women employees of the Company. CSL celebrated International Women's Day in March 2026 with inclusive events that encouraged active participation.

64. Further, the Company extends all prescribed maternity benefits to eligible women employees and complies with the applicable provisions of the Maternity Benefit Act, 1961.

Integrated Management System (IMS)

65. Cochin Shipyard maintains its Integrated Management System (IMS) under the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System standards. The quality management systems are proposed to be rolled out across all ancillary units of CSL.

Information Security Management Systems (ISMS)

66. Cochin Shipyard has achieved a significant milestone by obtaining certification according to ISO 27001:2022 for establishing, implementing, maintaining and continually improving an information security management system (ISMS). This accomplishment underscores CSL's dedication to safeguarding sensitive information, bolstering cyber-resilience and driving operational excellence. CSL is the first company in the shipbuilding sector to implement ISMS, setting a new standard for information security in the industry.

Energy Management System (EnMS)

67. In March 2026, Cochin Shipyard was awarded ISO 50001:2018 certification for its Energy Management System (EnMS). This certification demonstrates CSL's commitment to enhancing energy performance through a structured approach to energy management, continuous monitoring and optimisation of energy consumption, thereby supporting sustainable and efficient operations.

Facility Upgrade and Capital Expenditure

68. The total capital expenditure incurred in 2025-26 amounted to ₹318.07 Crores. This related to modernisation and expansion, renewals and replacements, new dry dock, ISRF, CMSRU, CKSRU, CANSRU, subsidiaries etc.

Implementation of Official Language Policy

69. In pursuance of sub rule (4) of rule 10 of the Official Language (Use for the Official Purposes of the Union) Rules, 1976, Government of India have notified, in the Gazette of India, that 80% of ministerial staff of the Company have acquired working knowledge/ proficiency in Hindi.

70. On the occasion of the 150th anniversary of the National Song Vande Mataram and World Hindi Day, CSL organised a grand 'National Song – Vande Mataram' competition for colleges in Ernakulam district, in which a total of 14 colleges actively participated. The participants presented deeply emotional and melodious renditions of Vande Mataram, leaving a lasting impression on the audience. The first prize was awarded to Sacred Heart College, Thevara, the second prize to Muthoot Institute of Technology and Science, Puthencruz, and the third prize to St. Xavier's College for Women, Aluva. The winning teams were honored with prizes and certificates on the occasion of Republic Day.

71. On March 24, 2026, a career development seminar was successfully organised for MA/ BA students and research scholars of the Hindi Department at Nirmala College, Muvattupuzha, in collaboration with CSL. The primary objective of the programme was to familiarise students with various career opportunities and to strengthen their professional skills. The seminar was held in the college campus, where a total of 55 students from the Hindi Department participated enthusiastically. Another key aim of the programme was to provide practical exposure and encourage skill development so that students can take advantage of better career opportunities in the future. The keynote speaker for the event was Dr. Madhusheel Ailyath, Assistant General Manager, Reserve Bank of India, Kochi. Through this session, the students gained important and valuable insights into career options, higher education and preparation for competitive examinations.

72. On May 09, 2025, a Hindi Shilpashala was successfully organised for the children of CSL employees, with the aim of promoting the importance of the Hindi language and enhancing their linguistic skills. A total of 55 children actively participated in the event. Shri Prashant G Pai, Senior Manager, Canara Bank, led the session with engaging Hindi lessons and fun-filled activities. On this occasion, various competitions were organised for the children in Hindi, including quiz, Hindi film song activities and drawing competitions, providing participants with an enjoyable and interactive platform to showcase their language skills and creativity.

73. The Hindi Fortnight celebrations was held with great enthusiasm and pomp in CSL and its units (CMSRU, CKSRU and CANSRU) from September 14 to 28, 2025. Various competitions such as Hindi calligraphy, dictation, poem recitation, poem writing, news reading, administrative terminology, quiz, film songs, noting and drafting, slogan and poster, anthakshari and translation etc., were organised for the employees of CSL. More than 70 employees participated enthusiastically in each competition. The HR&LD Department won the Overall Championship Rolling Trophy by securing the highest marks in the competitions held as part of the Hindi Fortnight celebrations and the Official Excellence Award was awarded to the Medical Center.

74. As part of the Hindi Fortnight Celebrations 2025 and with the objective of promoting the use of Hindi as well as encouraging language-based oratory and critical thinking skills among students, CSL organised a Hindi debate competition for high school students (Classes 8, 9 and 10) from schools under the Kochi Municipal Corporation. A total of 12 schools actively participated in the competition. The topic of the debate was 'The Impact of Social Media on Youth'. In the competition, Navy Children's School, Kochi, secured the first prize, Chinmaya Vidyalaya, Vaduthala, won the second prize, Kendriya Vidyalaya No. 2, secured the third prize, and Greets Public School, Kaloor, achieved the fourth position.

75. Amrita Vishwa Vidyapeetham, Kochi Campus organised Hindi competitions (including poetry recitation, speech and essay writing) for students from various colleges in Ernakulam district, sponsored by CSL. The objective of these competitions was to enhance interest in Hindi language among youth, encourage their creative and linguistic talents and strengthen the promotion of official language Hindi. With the support of CSL, the event became more impactful and well-organised, fostering a positive attitude towards Hindi among the younger generation.

76. Shri Harikrishnan G, Manager (ER Dept.), brought pride to CSL by winning a commendation award in the Hindi short story writing competition organised by the Thiruvananthapuram Town Official Language Implementation Committee on January 16, 2026. The competition received a total of 87 entries from across South India, making this achievement particularly noteworthy.

77. With the objective of promoting the Hindi language among students, CSL distributed Hindi books to two CSR-supported schools viz., Government Higher Secondary School, Pezhakkapilly and Government Higher Secondary School, Chathamattam. This initiative aims to enhance students' proficiency in Hindi and encourage the development of good reading habits.

78. The 18th issue of the Hindi in-house magazine was released in September 2025 at CSL during the Hindi Fortnight celebrations. The first copy of the magazine was presented to Dr. Seema Suri, Non-Official Independent Director, by Shri Madhu Sankunny Nair, the then Chairman and Managing Director (CMD). The 19th issue of the Hindi in-house magazine was released on March 12, 2026 by Shri Jose V J, Director (Finance) and CMD (Additional Charge). On this occasion, the first copy of the magazine was received by Dr. Harikrishnan S, Director (Operations), from the CMD.

79. Four students from Maharajas College, Ernakulam, two students from CUSAT, Kochi and six students from Dakshina Bharat Hindi Prachar Sabha, Ernakulam successfully completed internship work in Hindi during April – March 2026. They were given a valuable opportunity to gain knowledge in areas such as the Official Language Policy, annual programmes, correspondence, noting and drafting, computer typing and record/file management.

80. Hindi workshops and Official Language Implementation Committee (OLIC) meetings were conducted during the year. Further, in-service training in Hindi Pragya Course (July –November 2025) commenced in the month of July 2025 under the Hindi Teaching Scheme. The course was conducted over a period of five months. A total of 20 employees appeared for the examination held on November 16, 2025, after successfully completing the course. All the employees passed the examination successfully.

81. With the objective of creating awareness about the official language among senior officers of the organisation, an official language management programme was organised on December 03, 2025, for officers at the Senior Manager and Manager levels. The programme was conducted by Dr. Madhusheel Ayilyath, Assistant General Manager, Reserve Bank of India, Kochi. He elaborated in detail on the Official Language Policy, annual programme, reports

related to the Parliamentary Committee on official language, unicode and other relevant aspects. Key issues concerning the role and responsibilities of senior officers in the implementation of the official language were also discussed. A total of 33 officers participated in the programme successfully.

Particulars of Employees and Related Disclosures

82. In accordance with Ministry of Corporate Affairs notification no. G.S.R. 463(E) dated June 05, 2015, government companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

83. Details are placed at **Annexure I**.

Risk Management

84. CSL has put in place a comprehensive Risk Management Policy, approved by the Board of Directors. The Company's Risk Management Policy aims to establish a structured and defined process for the identification, assessment, response, monitoring and reporting of risks.

85. As per the Policy, the CSL Board undertakes overall oversight of the risk management system. The Board periodically reviews the risk management process to ensure that key risks are being properly identified and effectively managed. The CSL management, comprising both Board-level and below-Board-level executives, has been entrusted with the implementation of the risk management process. To this end, CSL has set up functional Risk Management Committees and a Board-level Risk Management Committee to implement the Risk Management Policy across the organisation. These committees regularly review the risk management process and the Policy to ensure their continued effectiveness.

86. The diversified product mix of CSL, which includes both defense and commercial shipbuilding, as well as ship repair, provides the Company with a natural hedge against market risks. This diversification helps to mitigate the Company's exposure to fluctuations in any particular market segment, thereby enhancing the overall resilience of the business.

Health, Safety and Environment (HSE)

87. CSL continues to uphold the highest standards of Health, Safety and Environment (HSE), reinforcing our commitment to the safety and well-being of employees, customers and all stakeholders. CSL's approach is driven by a proactive HSE culture, supported by a robust management system that systematically identifies, assesses and mitigates potential risks. CSL firmly believe that maintaining a safe and healthy work environment is fundamental to sustainable operations and the overall success of the organisation.

88. The overall HSE Index score of CSL for 2025 stood at 79.36, reflecting sustained progress in Health, Safety and Environment performance. The continued focus on strengthening HSE governance has resulted in measurable improvements, highlighting the effectiveness of structured and proactive risk mitigation strategies in preventing incidents and accidents. This emphasis on proactive intervention over reactive response is clearly demonstrated through both the overall and departmental HSE Index scores, which serve as key performance indicators. These metrics reinforce CSL's commitment to embedding a strong safety culture and ensuring consistent HSE excellence across all functional areas of the organisation.

89. The HSE Star Rating System continued to serve as a critical framework for evaluating the annual HSE performance of subcontractors deploying 20 or more personnel within the Yard, based on a calendar year assessment. The system enables CSL to systematically monitor performance and drive continuous improvement in HSE standards among its stakeholders. Ratings awarded range from three-star to five-star levels, reflecting adherence to stringent HSE requirements. During the reporting period, a total of 31 subcontractors were recognised with CSL HSE Star Ratings.

90. As part of the continual refresher training initiative, a comprehensive refresher programme has been systematically conducted for CSL employees and subcontractor workmen. A total of 15,623.25 man-hours of structured safety training have been completed, reinforcing critical safety competencies, hazard awareness and compliance with established safety protocols across all levels of the organisation. These sessions are designed not only to revisit core safety principles but also to integrate learnings from recent incidents, audits and evolving industry best practices, thereby strengthening the overall safety culture within CSL.

91. In addition, CSL has established a collaboration with the Fire and Safety Department of Cochin University of Science and Technology to deliver specialised safety engagement programmes for its employees.

Industrial Security

92. CSL is a vital organisation with national importance and is classified as special security zone by both State and

Central Government as the security of establishment has got national importance. Overall security of the Company continued to be robust without causing any serious security concern during the year. The primary security of the establishment is entrusted with Central Industrial Security Force (CISF) unit under the command of Dy. Commandant, CISF. CSL has instituted twenty-four hours waterfront patrolling with armed CISF personnel in addition to QRT team. CSL has installed a state-of-the-art surveillance system (CCTV) covering the entire perimeter including all critical locations and installations. Further, CSL's integrated security system enhances surveillance through a central command and control room, an electrical smart power fence, an access control system and a visitor management system, thereby strengthening the overall security of the Yard. All security systems and measures introduced and installed in the Company are of international standards. Periodic mock drill exercises are conducted in coordination with Intelligence Bureau, State Police, State Fire Department, Bomb Squad and Navy to assess the readiness of CISF to counter any security threat, security breach, crisis or calamities.

93. CSL has also engaged DGR sponsored ex-servicemen security agency for supplementing existing forces mainly catering to external properties of CSL and also internal specific locations.

94. CSL was accorded status of Sub-AUA under C-DAC, Mumbai by UIDAI in October 2023. Accordingly, the Company carries out Aadhaar based verification under Aadhaar Act for identification of persons prior to issuing of entry passes. This process helps prevent impersonation and strengthens access control by ensuring that only verified individuals are granted entry to CSL.

Awards and Recognitions

95. During the financial year 2025-26, CSL received the following awards and recognitions:

(i) Maritime Excellence Award for Shipbuilding and Ship Repair at India Maritime Week 2025;

(ii) Best Stall for Creative Visualisation at India Maritime Week 2025;

(iii) Innovative HR Practices Award from National Institute of Personnel Management (NIPM);

(iv) Swachh Bharat Pakhwada Award 2025 by the Ministry of Ports, Shipping and Waterways, Government of India;

(v) Outstanding PSU of the Year Award at the prestigious All India Management Association (AIMA) Leadership Excellence Awards event;

(vi) Kerala State Energy Conservation Award 2025 from the Department of Power, Government of Kerala through the Energy Management Centre;

(vii) First prize for the implementation of official language from Kochi Town Official Language Implementation Committee (TOLIC) among the companies having more than 200 administrative employees;

(viii) First prize for the Hindi home magazine 'Sagar Ratna' from Kochi TOLIC (PSUs); and

(ix) First runner-up for the Overall Champion for the joint Hindi Fortnight celebrations, 2025.

Board of Directors' and Key Managerial Personnel

96. During the financial year 2025-26, the Board of CSL comprised of 7 Directors, consisting of a Chairman and Managing Director, 3 Whole Time Directors and 2 Part-time Official Directors (Government Nominees) and 1 Non-official (Independent) Director. For further details regarding the Board of Directors, including any changes thereto, please refer to the Corporate Governance Report, which forms part of the Directors' Report.

97. The details of changes in Key Managerial Personnel during the financial year 2025-26 are given below:

Sl. No.	Name	DIN	Designation	Date of Appointment	Date of Cessation	Remarks
(i)	Shri Madhu Sankunny Nair	07376798	Chairman and Managing Director	January 01, 2016	January 31, 2026	Superannuation
(ii)	Shri Bejoy Bhasker	08103825	Director (Technical)	April 05, 2018	May 31, 2025	Superannuation
(iii)	Shri Jose V J[(1)]	08444440	Director (Finance)	August 01, 2019	Continuing	Please refer note
			Chief Financial Officer	August 13, 2019		
			Chairman and Managing Director (Additional Charge)	February 01, 2026		

Sl. No.	Name	DIN	Designation	Date of Appointment	Date of Cessation	Remarks
(iv)	Shri Sreejith K Narayanan	09543968	Director (Operations)	July 21, 2022	May 31, 2025	Superannuation
(v)	Dr. Harikrishnan S	10221559	Director (Operations)	August 27, 2025	Continuing	Appointment
(vi)	Shri Rajesh Gopalakrishnan	09576336	Director (Technical)	August 27, 2025	Continuing	Appointment
(vii)	Shri Syamkamal N	N.A.	Company Secretary & Compliance Officer	February 01, 2020	Continuing	No Change

(1) Shri Jose V J, whose office as Director was liable to retire by rotation and being eligible was reappointed as the Director of the Company at the 53rd Annual General Meeting (AGM) of the Company held on September 29, 2025. Further, consequent upon the retirement on superannuation of Shri Madhu Sankunny Nair as the Chairman and Managing Director of the Company on January 31, 2026, Shri Jose V J has been entrusted with the additional charge of the post of Chairman and Managing Director with effect from February 01, 2026.

Declaration and Meeting of Independent Directors

98. During the financial year 2025-26, there was only one Independent Director on the Board of CSL and the Company has received declaration from the Independent Director confirming that she meets the criteria of independence as prescribed under the Companies Act, 2013. A separate meeting of the Independent Directors could not be held during the year as there was only one Independent Director.

Details of Board Meetings held during 2025-26

99. Six Board Meetings were held during the year 2025-26 and the gap between two meetings did not exceed the statutory period. The dates on which the Board Meetings were held along with the attendance of Directors therein, are as follows:

Sl. No.	Date	Board Strength	No. of Directors present
(i)	May 15, 2025	06	05
(ii)	August 12, 2025	05	04
(iii)	September 02, 2025	07	06
(iv)	November 12, 2025	07	06
(v)	January 28, 2026	07	05
(vi)	March 27, 2026	06	04

100. For more details with respect to the Directors, Board and Committee meetings held during the year and attendance of these meetings, refer Corporate Governance Report which forms part of Directors' Report.

Remuneration Policy/ Evaluation of Board's Performance

101. Cochin Shipyard is a Government of India company under the Ministry of Ports, Shipping and Waterways. Presently, the Directors of the Company are presidential appointees and their remuneration is fixed in accordance with the DPE guidelines. Accordingly, Article 21(a) of the Articles of Association of CSL states that, President will appoint Directors and determine their remuneration. Since, the Board level appointments are made by President of India, the evaluation of performance of such appointees is also done by the Government of India. However, the Board evaluated the Non-official (Independent) Director of the Company vis-à-vis her performance and fulfilment of the independence criteria and found the same to be satisfactory.

Report of the Nomination and Remuneration Committee on Company's Policy on Directors' Remuneration

102. Presently, the remuneration of Board level appointees is determined in accordance with DPE guidelines. CSL has adopted a Board-approved Nomination and Remuneration Policy in compliance with the provisions of Section 178 of the Companies Act, 2013. The Policy is available in the website of the Company at https://cochinshipyard.in/investor/investor_titles/68.

Directors Responsibility Statement

103. Your Directors state that:

    (i) in the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there are no material departures from the same;

    (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for the year ended on that date;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the annual accounts on a 'going concern' basis;

(v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and arrangements with related parties

104. In line with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Policy for dealing with the related party transactions and the same is available in the website of the Company at https://cochinshipyard.in/investor/investor_titles/68.

105. During the year under review, all transactions entered into with related parties were approved by the Board, since there is no functional Audit Committee at present. Prior omnibus approval of the Audit Committee (if available) and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. All related party transactions are placed on a quarterly basis before the Audit Committee (if available) and the Board for review.

106. All contracts, arrangements and transactions entered into by the Company with related parties during the financial year 2025-26 were in the ordinary course of business and on an arm's length basis. No related party transactions have been entered into by the Company during the year under review which attracted the provisions of Section 188 of the Companies Act, 2013. Therefore, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable for the financial year 2025-26 and hence does not form part of this Report. Further, your Directors draw attention of the members to Note 53 to the standalone financial statements which set out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee

107. The Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee of CSL ceased to exist with effect from November 22, 2024 due to the completion of tenure of the Independent Directors and the subsequent non-appointment of new incumbents by the Government of India. The CSR & SD Committee was reconstituted with effect from June 01, 2025 following the appointment of Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL on May 21, 2025. In the absence of CSR & SD Committee, CSR proposals were considered directly by the Board based on the recommendations of below Board level CSR Executive Committee.

108. From June 01, 2025 till January 31, 2026, the CSR & SD Committee comprised of Shri Madhu Sankunny Nair (DIN: 07376798), Chairman and Managing Director as Chairperson, Shri Jose V J (DIN: 08444440), Director (Finance) and Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Members. Consequent to the retirement of Shri Madhu Sankunny Nair, Chairman and Managing Director (CMD), on superannuation from services of the Company on January 31, 2026, the CSR & SD Committee was reconstituted with effect from February 01, 2026 with Shri Jose V J (DIN: 08444440), Director (Finance) & CMD (Addl. Charge) as Chairperson, Dr. Harikrishnan S, (DIN: 10221559), Director (Operations), Shri Rajesh Gopalakrishnan (DIN: 09576336), Director (Technical) and Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Members. The composition of the CSR & SD Committee remained the same as on March 31, 2026.

109. The CSR & SD Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy can be accessed on the Company's website at the link https://cochinshipyard.in/csr/aboutus#parentVerticalTab3.

110. Cochin Shipyard started CSR activities in the year 2010-11 based on the guidelines issued by the Department of Public Enterprises (DPE) applicable to Government Companies. CSL has put in place an effective CSR Policy and implementation machinery. The CSR implementation machinery consists of a three-tier system; Tier I CSL Board, Tier II CSL Board Level CSR Committee consisting of four members of the Board and Tier III CSL CSR Executive Committee consisting of senior level executives across various departments of the Company.

111. During the year 2025-26, the Company could engage in meaningful CSR initiatives that received appreciation both within Kerala and also nationally. The Company has spent ₹15.54 Crores against the target mandatory CSR spending of ₹13.89 Crores for the financial year 2025-26. 'Health & Nutrition and PM Internship Scheme' have been adopted as common theme for undertaking CSR activities by CSL for the year 2025-26.

112. The Annual Report on CSR activities is placed at **Annexure II**.

Audit Committee

113. Consequent to the vacation of office of all the Independent Directors with effect from November 22, 2024, upon completion of their tenure as prescribed by the Government of India and due to the non-appointment of sufficient number of Independent Directors by the Government of India, the Company could not reconstitute the Audit Committee with effect from November 22, 2024.

114. Particulars regarding the Audit Committee are provided under the section 'Board Committees' in the Report on Corporate Governance.

Corporate Governance

115. The Company is committed to maintaining the highest standards of corporate governance and has put in place an effective corporate governance system. The Company complies with the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and also the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE) except w.r.t the appointment of sufficient number of Independent Directors and related non-compliances including constitution of Audit Committee and Nomination and Remuneration Committee. The Company submits its progress reports on corporate governance within 15 days from the close of each quarter to the Administrative Ministry viz., Ministry of Ports, Shipping and Waterways as recommended by the DPE in this regard. The Report on Corporate Governance forms part of the Directors' Report.

Management Discussion and Analysis

116. A separate section 'Management Discussion and Analysis Report' has been included in the Annual Report and the same forms part of the Directors' Report.

Internal Financial Controls

117. The Company has in place adequate internal financial controls with reference to financial statements. During the financial year 2025-26, the Company engaged M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants for reviewing the adequacy of the internal financial controls and to ensure that proper and adequate systems are in place for compliance with the provisions of all applicable laws. During the financial year 2025-26, such controls were tested and no reportable material weakness was observed, with no major variation in the control environment during the year.

118. In order to provide for functional autonomy, the Company has a system wherein financial powers of the Board of Directors are delegated to the CMD. These powers are further sub-delegated to officers at various levels for smooth and efficient day to day functioning. An independent internal audit mechanism is in place for conducting extensive audit of various operational and financial matters. Compliance Audits are also being carried out by C&AG on a yearly basis.

119. The Board of Directors also looked into the internal control system, Company procedures and internal audit performance and reports. The Company has implemented an integrated ERP System (SAP) since July 2014 and upgraded the same to the latest version S/4HANA from April 2022, which is enabling better management control.

Statutory Auditors

120. M/s. Babu A Kallivayalil & Co. (Firm Registration No. 05374S), Chartered Accountants, Kochi were appointed as the Statutory Auditors of the Company by the Comptroller and Auditor General of India for the year 2025-26. The shareholders have delegated the power to fix the remuneration of Statutory Auditors to the Board and accordingly, the same has been fixed by the Board.

Auditors Report

121. M/s. Babu A Kallivayalil & Co., Statutory Auditors have submitted their report on the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2026, on May 15, 2026. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

Comments of C&AG

122. The comments of the Comptroller and Auditor General of India (C&AG) under Section 143(6)(b) of the Companies Act, 2013 forms part of the Annual Report.

Cost Auditors

123. The Company maintains cost records with respect to its shipbuilding activities as required under Section 148(1) of the Companies Act, 2013. The Board has appointed M/s. Rajendran Mani and Varier, Cost Accountants (Firm Registration No. 000006), Kochi, as the Cost Auditors for conducting the audit of cost records of the Company for the financial year 2025-26. The remuneration of Cost Auditor for the financial year 2025-26 was ratified by the shareholders at the 53rd AGM held on September 29, 2025.

Secretarial Auditor

124. The Board has appointed M/s. SEP & Associates, Practicing Company Secretaries, Kochi, as the Secretarial Auditors of the Company for a term of five consecutive years, commencing from the financial year 2025-26 till the financial year 2029-30. The said appointment of M/s. SEP & Associates was approved by the shareholders at the 53rd AGM held on September 29, 2025. The Secretarial Audit Report for the financial year ended March 31, 2026 is placed at **Annexure III**. The Secretarial Auditors in their Report observed the following:

(i) Composition of Board – Independent Directors

The Company did not have sufficient number of Independent Directors on its Board during the audit period, as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), Section 149 of the Companies Act, 2013 ("the Act"), and Clause 3.1 of the Corporate Governance Guidelines for Central Public Sector Enterprises ("CG Guidelines for CPSEs"). The Company only had one Independent Director on its Board during the audit period, who was appointed on May 21, 2025. Consequently, the Company was non-compliant with respect to the conduct of separate meeting of Independent Directors as mandated under Regulation 25(3)&(4) of the SEBI LODR Regulations and Schedule IV to the Act.

(ii) Woman Director/ Woman Independent Director

There was no Woman Independent Director on its Board from the start of the audit period up to May 20, 2025, as mandated under Regulation 17 of the SEBI LODR Regulations. Further, the Company was also non-compliant with the requirement of appointing at least one Woman Director under Section 149 of the Act during the said period.

(iii) Audit Committee

The Company did not have a duly constituted Audit Committee during the audit period, as required under Regulation 18 of the SEBI LODR Regulations, Section 177 of the Act, and Clause 4.1 of the CG Guidelines for CPSEs. Consequently, the Company was also non-compliant with respect to the conduct and frequency of Audit Committee meetings as mandated under Regulation 18(2) of the SEBI LODR Regulations and Clause 4.4 of the CG Guidelines for CPSEs.

(iv) Nomination and Remuneration Committee

The Company did not have a duly constituted Nomination and Remuneration Committee during the audit period, as required under Regulation 19 of the SEBI LODR Regulations, Section 178 of the Act, and Clause 5.1 of the CG Guidelines for CPSEs. Consequently, the Company was also non-compliant with respect to the conduct and frequency of Nomination and Remuneration Committee meetings as mandated under Regulation 19(3A) of the SEBI LODR Regulations.

(v) Stakeholders Relationship Committee

The Company did not have a duly constituted Stakeholders Relationship Committee from the start of the audit period up to May 31, 2025, as required under Regulation 20 of the SEBI LODR Regulations and Section 178 of the Act.

(vi) Corporate Social Responsibility (CSR) Committee

The Company did not have a duly constituted Corporate Social Responsibility Committee from the start of the audit period up to May 31, 2025, as required under Section 135 of the Act.

(vii) Risk Management Committee

The Company did not have a duly constituted Risk Management Committee from the start of the audit period up to May 31, 2025, as required under Regulation 21 of the SEBI LODR Regulations.

(viii) Quorum for Board Meetings

The requirement of quorum of at least one Independent Director as mandated under Regulation 17 of SEBI LODR Regulations was not met in the Board Meeting of the Company held on May 15, 2025 as there were no Independent Directors on the Board of the Company.

125. The explanation of the Board to the observations in the Secretarial Audit report is given below:

CSL is a Central Public Sector Enterprise under the administrative control of the Ministry of Ports, Shipping and Waterways, Government of India. Accordingly, the appointment of Directors on the Board of CSL is done by the Government of India by following due procedure of selection. The Company has forwarded necessary requests to the Government of India for filling up the vacancies of Independent Directors including a woman director. Consequently, the Ministry of Ports, Shipping and Waterways, Government of India vide their Letter No. SY-11012/1/2016-CSL dated May 20, 2025, appointed Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL. Following her induction, the Company reconstituted the Stakeholders Relationship Committee, the Risk Management Committee and the CSR Committee on June 01, 2025. The appointment of the remaining five Independent Directors is awaited from the Government of India and constant efforts are being made to meet the compliance requirements. The Audit Committee and the Nomination and Remuneration Committee will be duly reconstituted in line with the SEBI LODR Regulations once sufficient number of Independent Directors are appointed by the Government of India.

Internal Auditor

126. The Board has appointed M/s. Elias George & Co., Chartered Accountants, Kochi, to conduct Internal Audit for the financial year 2025-26.

Annual Return

127. The annual return of the Company as required under Section 92(3) of the Companies Act, 2013 is available in the website of the Company at https://cochinshipyard.in/investor/investor_titles/55.

Investor Services

128. The shares of the Company are listed in BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). CSL has paid listing fees to BSE and NSE on time. MUFG Intime India Private Limited (formerly Link Intime India Private Limited) are the Registrar and Transfer Agents in respect of these equity shares.

129. As on March 31, 2026, 8.72% Tax Free, Secured, Redeemable, Non-Convertible Bonds of only ₹23 Crores is outstanding for CSL, which will be matured in March 2029. The said bonds are fully dematerialised with both the depositories, NSDL and CDSL and are listed on Wholesale Debt Market ("WDM") segment of BSE. During the year India Ratings and Research (Ind-Ra) and Care Ratings reaffirmed its ratings of CSL instruments of IND AAA/ Stable and CARE AAA/ Stable respectively. CSL has paid the listing fees to BSE on time in respect of the bonds. MUFG Intime India Private Limited (formerly Link Intime India Private Limited) is the Registrar and Transfer Agents and SBICAP Trustee Company Limited is the Debenture Trustees in respect of the bonds.

Vigilance

130. The Vigilance Department of CSL integrates preventive, proactive and punitive measures to uphold organisational integrity. By conducting investigations, surveillance and detection initiatives, the department ensures transparency, equity and competitive efficiency in all affairs, including procurements. In strict adherence to the Central Vigilance Commission (CVC) guidelines, the department regularly engages with the management and heads of departments. It prioritises sensitisation programmes for officers and supervisors to foster a culture of vigilance.

131. Strengthening Vigilance Capabilities – Dr. C. Pandi Selva Durai, IOFS, serves as the full-time Chief Vigilance Officer, leading the Vigilance Department. The department also includes a Vigilance Officer (a DySP rank police officer from Kerala Police on deputation to CSL), two CSL officers and three supporting staff. The Chief Vigilance Officer also oversees the vigilance functions of CSL's wholly owned subsidiaries, Hooghly Cochin Shipyard Limited (Hooghly-CSL) and Udupi Cochin Shipyard Limited (Udupi-CSL).

132. Systemic Improvements and Inspections – The Vigilance Department conducted Chief Technical Examiner (CTE) type intensive examinations and recommended various systemic improvements based on the findings and observations. CTE type inspections were carried out on select major works and procurements from the Civil Department, the Infra Projects Department, the Ship Building and the Ship Repair divisions. During the financial year, the Department monitored various contracts and audit reports and conducted surprise/ periodic inspections across operational areas, suggesting corrective actions wherever necessary. All reports to the CVC, including quarterly progress reports and quarterly performance reports, were submitted on time.

133. Some of the key initiatives undertaken by the Department as part of strengthening vigilance measures in CSL include the introduction of an online suggestion box to enable employees to share constructive suggestions or report instances of misconduct, unethical practices or rule violations; the introduction of a new transaction code

to identify non-moving and slow-moving stock items for better inventory management and to prevent blockage; and the automated capture of Quarterly Progress Report (QPR) data to eliminate errors and delays associated with manual consolidation.

134. Vigilance Awareness Initiatives – As a prelude to Vigilance Awareness Week 2025, as per CVC's directions, a three-month campaign was organised from August 18, 2025 to November 17, 2025, focusing on various activities to enhance vigilance awareness and sensitisation among officers and supervisors. As part of a special drive, scrap/waste management has also been identified as a focus area. Several initiatives, including systemic improvements, were implemented, leading to a significant increase in scrap disposal. As a result, revenue from scrap disposal rose substantially in 2025–26. There has been a significant improvement in scrap management and yard housekeeping. The Vigilance Awareness Week was also observed in a befitting manner during October – November 2025 on the theme 'Vigilance: Our Shared Responsibility'.

Right to Information Act

135. In order to promote transparency and accountability, CSL has implemented the provisions of the Right to Information (RTI) Act, 2005 in its true letter and spirit and an appropriate mechanism has been set up in the Company with a dedicated centralised RTI Cell to provide information to the citizens under the provisions of this Act. All the RTI requests and the appeals received both online and offline during the year 2025-26 have been processed and information was provided in a time bound manner as stipulated in the Act.

136. There have been no instances of non-compliance by the Company. No penalties or strictures were imposed on the Company by any statutory authority during the last three years with respect to RTI.

Vigil Mechanism

137. The Cochin Shipyard Vigil Mechanism and Whistle Blower Policy of CSL adopted by the Board of Directors at their 228th Meeting held on December 14, 2016 was functioning as the Vigil Mechanism of CSL. Further, in line with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, CSL had adopted Fraud Prevention and Detection Policy at the 214th Board Meeting held on September 16, 2014. Since the larger objective of both policies was similar, CSL adopted a combined policy viz., Whistle Blower and Fraud Prevention Policy at the 252nd Board Meeting held on November 12, 2019, which is amended from time to time as necessary. The prevailing Whistle Blower and Fraud Prevention Policy of CSL is available in the website of the Company at https://cochinshipyard.in/investor/investor_titles/68.

Details of frauds reported by Auditors under Section 143

138. Nil.

Particulars of loans, guarantees or investments

139. During the year under Report, the Company has not

(a) given any loan to any person or other body corporate;

(b) given any guarantee or provided security in connection with a loan to any other body corporate or person; and

(c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under Section 186 of the Companies Act, 2013 except as stated below.

As part of the arrangement with Dredging Corporation of India Limited (DCIL) under the Shipbuilding Contract for building the country's largest dredger, the 12,000 Cu.M Trailer Suction Hopper Dredger (TSHD), the Company, in February 2026, subscribed to 11,148 Secured, Unrated, Unlisted, Redeemable, Non-Convertible Debentures (NCDs) of DCIL at a face value of ₹1 Lakh each, aggregating to ₹111.48 Crores. The NCDs carry a coupon rate of 7.72% per annum and are redeemable at par after 10 years, with an option for early redemption after 5 years. The proceeds from the said NCDs were utilised by DCIL to meet its payment obligations to CSL for the procurement of the said dredger. The NCDs, held in demat form, are secured by a first pari passu charge on the said dredger, shared with Deutsche Bank AG. Catalyst Trusteeship Limited acts as the Debenture Trustee.

Raising funds through Blue Bonds – Update

140. CSL had explored the possibility of raising funds by way of issuance of US$ denominated non-convertible senior unsecured fixed rate notes ("Notes") for an aggregate amount up to US$ 50 million, primarily to finance Company's eligible sustainable projects or other permissible end uses in accordance with applicable law. However, in view of significant changes in economic conditions, which have made domestic borrowing more cost-effective, and a revision in the implementation

approach of the Company's key sustainability projects, the proposal not pursued further.

Material changes and commitments

141. No material changes and commitments, affecting the financial position of the Company, have occurred between the end of the financial year of the Company and the date of this Report.

Details of change in nature of business

142. There has been no change in the nature of business of the Company during the year under report.

Deposits

143. Your Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013.

Secretarial Standards

144. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Significant and Material orders

145. No significant and material orders were passed by the regulators or any courts or tribunals impacting the going concern status of the Company and affecting its operations.

Proceedings under Insolvency and Bankruptcy Code, 2016

146. There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC) during the year under review.

Business Responsibility and Sustainability Report

147. The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility and Sustainability Report (BRSR) as part of the Annual Report for top 1,000 listed entities based on market capitalisation. Further, for the top 500 listed entities, SEBI has also mandated assessment or assurance of the specified parameters as per the BRSR Core to be obtained from an independent expert. BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct' and BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs)/ metrics under nine environment, social and governance attributes. Accordingly, the Company has provided BRSR in the prescribed format along with the Assurance Report on BRSR Core given by Sustainability Actions Private Limited, which forms part of the Annual Report and is also available on the Company's website at the link https://cochinshipyard.in/investor/investor_titles/53. This would enable the Members to have an insight into environment, social and governance initiatives of the Company.

Other Statutory Disclosures

148. No disclosure or reporting is made with respect to the following items, as there were no transactions during FY 2025-26.

    (i) There was no issue of equity shares with differential rights as to dividend, voting or otherwise;

    (ii) There was no issue of equity shares (including sweat equity shares) to employees of the Company under Employees Stock Option Scheme;

    (iii) The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;

    (iv) There was no instance of one-time settlement with any Bank or Financial Institution;

    (v) Directors of the Company have not received any remuneration or commission from any of its subsidiaries;

    (vi) The Company has not failed to implement any corporate action; and

    (vii) There was no revision of financial statements and/ or Directors' Report of the Company under Section 131 of the Companies Act, 2013.

Acknowledgement

149. The Board of Directors places on record their deep appreciation for the unwavering support and guidance extended by the Hon'ble Union Minister for Ports, Shipping and Waterways and all officials of the Ministry of Ports, Shipping and Waterways. The Board would also like to express its heartfelt gratitude for the co-operation and assistance received from various offices of the Government of India, Government of Kerala, Government of West Bengal, Government of Karnataka, Government of Maharashtra, Andaman and Nicobar Administration, various local bodies, the Comptroller and Auditor General of India, statutory auditors, secretarial auditors, cost auditors, internal auditors, BRSR Core assurance providers and the bankers.

150. Further, the Board extends sincere thanks to our valued shareholders, investors, customers, suppliers and sub-contractors for their continued support. The Board also recognise and appreciate the dedication and commitment of all employees of Cochin Shipyard Limited and its subsidiaries.

For and on behalf of the Board of Directors

Jose V J
Director (Finance) & CMD (Addl. Charge)
DIN: 08444440

Kochi
May 15, 2026

Annexure I

A. Conservation of Energy

(a) Steps taken or impact on conservation of energy during the year 2025-26:	**STEPS TAKEN** • Obtained ISO 50001: 2018 – Energy Management System (EnMS) Certification; • Installation of Variable Frequency Drive (VFD) in repair dock ballast pump; • Installed sensor-based lighting control in shipbuilding service tunnel and substations; • Installed sensor-based lighting in common areas; • Replacement of conventional crane girder lights with LED alternative; • Replaced conventional AC systems with 5-star inverter-based AC systems; • Use of energy efficient BLDC/ 5-star fans instead of ordinary ceiling/ wall fan; • Service of oil cooled transformers improved overall efficiency, thus contributing to energy conservation; • Leakages in the compressed air distribution system and other industrial gas lines are regularly monitored and rectified; • Power factor is continuously monitored and maintained near unity; • Switching off main air compressor during lunch break; and • Displayed energy saving stickers and posters, conducted seminar and quiz competition for inculcating awareness among employees for energy conservation aimed at optimum use of electric power. **IMPACT** Energy saving is approx. 4.75 Lakhs units per annum with the implementation of measures specified above.
(b) Steps taken for utilising alternate sources of energy:	• Installed a total of 580 kWp grid connected solar power plant on the rooftop of various buildings/ shops in addition to the existing 1972 kWp grid connected solar power plant. With this, the total installed capacity of solar power plants in CSL has become 2252 kWp; • 21.04 Lakhs units of energy were generated from existing solar power plants of capacity 2252 kWp during the year 2025-26; • Sequestration of ~525kg, CO2 emissions per year through installation of 5 nos. of liquid trees in conference halls and common areas; and • Purchased 104.67 Lakhs units of renewable energy through Open Access (Green Day Ahead Market).
(c) Capital investment on energy conservation equipments:	• An amount of approximately ₹63.50 Lakhs has been invested for implementation of energy conservation measures specified above.

B. Technology Absorption, Adaptation and Innovation

(a) Efforts made towards technology absorption:	• Participated in the seakeeping and maneuvering model test programme of NGMV powered by waterjets at NSTL, Visakhapatnam;
	• Participated in the resistance model test programme of ASV at NSTL, Visakhapatnam;
	• Engaged CUSAT for the research on hull form optimisation using OpenFOAM and SHIPFLOW for enhancing the in-house CFD and optimisation capability;
	• Launching Calculations: Performed calculations and validated by 'NAPA' software for slipway end-launching of MPVs and tugs at Hooghly-CSL;
	• M-Tech Project Guidance: Guided five M-Tech students on industry-relevant topics from CUSAT and GEC Thrissur, enhancing in-house capability in the domain of structural design and CFD analysis. Respective conference papers presented in RAMPTS 2025 conducted by GEC Thrissur and ICANOE 2025 conducted by CUSAT;
	• B-Tech Project Guidance
	  ◦ Guided 19 B-Tech students on industry-relevant topics from CUSAT, IIT Madras and Christ Knowledge City and respective conference papers presented in ICSOT 2025 conducted by IIT Kharagpur; and
	  ◦ Guided four B-Tech students on industry relevant topics from GEC Thrissur.
	• Workshops/ training sessions attended
	  ◦ 1-day technical session on MR Tanker by BV;
	  ◦ 1-day training programme on dynamic positioning by ABB;
	  ◦ 1-day training programme on LNG DF container vessel by BV;
	  ◦ 1-day training session on simufact welding software by Hexagon;
	  ◦ 1-day workshop on advanced ship simulations by ANSYS;
	  ◦ 1-day workshop on Interactive Electronic Technical Manual (IETM) by TCS;
	  ◦ 2-day workshop on hydrodynamic analysis and optimisation of ship hulls by CAESES and SHIPFLOW;
	  ◦ Knowledge sharing session on cybersecurity by ABS;
	  ◦ Training on platform level integration by WESEE;
	  ◦ Training on integrated logistics support by RINA;
	  ◦ 1-week session on AI for managers conducted by IIM Lucknow;
	  ◦ 1-day session on hydrodynamic and propulsion seminar by Kongsberg; and
	  ◦ 1-day workshop for professional naval architects on development and challenges in computational hydrodynamics.
	• Acquired AUV hardware and software integration skills by closely working with DRDO;
	• Implementation of digital twin for predictive maintenance of gas turbines of INS Vikrant;
	• Patent filing in progress for LARS (Launch and Recovery System) design, sensor-based drydocking solution, electro-optics-based drydocking solution;
	• Indigenous development of an advanced welding process in progress in collaboration with a technology partner; and
	• Conferences/ workshops attended by team members on innovation management, decarbonisation, energy efficiency and new green solutions in shipping, IMO MSC Session 110 (MASS).

(b) Efforts made towards Technology Innovation:	• Development of basic design of 80 Pax river cruise vessel for Heritage River Journeys Private Limited;
	• Development of bid design for next generation fast patrol vessels for Indian Coast Guard;
	• Development of bid design for next generation survey vessels for Indian Navy;
	• Performed finite element analysis on following projects in 3DEXPERIENCE SIMULIA:
	  ◦ Lifting analysis of ASW hull blocks;
	  ◦ Vibration analysis of modified electro optic device foundation of 30mm gun for ASW;
	  ◦ Strength analysis of structure IWO Bollard for NGMV;
	  ◦ Strength Analysis of structure IWO RAS arrangement for NGMV;
	  ◦ Static and dynamic analysis of 12.7mm Stabilised Remote Control Gun (SRCG) foundation structure of NGMV;
	  ◦ Strength analysis of structure IWO Fin Stabiliser for NGMV;
	  ◦ Dynamic analysis of lynx foundation structure of NGMV;
	  ◦ Design and analysis of A-frame trestle for loading 50T hull block;
	  ◦ Performed self propulsion CFD analysis using OpenFOAM for 80 Pax river cruise vessel; and
	  ◦ Performed shallow water resistance analysis using OpenFOAM for 80 Pax river cruise vessel.
	• Design and development of various critical systems for autonomous surface vessel including command and control station, radar technology, camera technology and autonomy stack;
	• Prototype testing of an active load stabilisation system for marine and non-marine cargo handling operations;
	• Detailed designing of a ground control station for AUV;
	• Design and development of an innovative sensor aided drydocking assistant system; and
	• Indigenous development of an advanced welding process in progress in collaboration with a technology partner.

Disclosure of particulars in respect of absorption

(a) Benefits derived like product improvement, cost reduction, product development or import substitutions:	• CSL was declared lowest bidder for next generation survey vessels with design developed in-house; and • Indigenous development of critical marine vehicles and related subsystems by collaborating with specialised and leading firms.
(b) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
(i) The details of technology imported:	(i) SHIPFLOW; (ii) VME based automation system training kit, Italy; (iii) NUPAS Cadmatic; and (iv) NavCad Premium.
(ii) The year of import:	(i) 2024-25; (ii) 2023-24; (iii) 2023-24; and (iv) 2023-24.
(iii) Whether the technology been fully absorbed:	Yes, in the year of import itself.

(iv) If not fully absorbed, areas where absorption has not taken place and the reasons thereof:	Not Applicable.
(c) Expenditure incurred on Research and Development/ Innovation initiatives:	₹2,440.88 Lakhs

C. Foreign Exchange Earnings and Outgo

(₹ Lakhs)

Particulars	2025-26	2024-25
Earnings in Foreign Exchange		
From Shipbuilding	60,651.10	45,080.77
From Ship Repair	33.26	72.27
Total	**60,684.36**	**45,153.04**
Expenditure in Foreign Exchange		
Materials (CIF Value)	77,835.23	94,358.80
Design and Documentation	2,914.78	4,066.78
Service Charge and Others	15,266.78	9,747.50
Total	**96,016.29**	**1,08,173.08**

For and on behalf of the Board of Directors

Jose V J
Director (Finance) & CMD (Addl. Charge)
DIN: 08444440

Kochi
May 15, 2026

Annexure II

Report on Corporate Social Responsibility

1. Brief outline on CSR Policy of the Company

The CSR activities in the Company for the year 2025-26 were undertaken in line with the statutory provisions under the CSR Rules, the guidelines issued by the Department of Public Enterprises for Central PSUs and the CSR Policy of the Company.

As per the CSR Policy of the Company, for administrative convenience, the Company operates the projects under the categories of Minor projects, which are urgent in nature having value of ₹10 Lakhs or less with the approval of Chairman and Managing Director, limited to 10% of total spent. All other projects are categorised as Major projects. 5% of the total spent is earmarked towards administrative overheads, which includes salary, expenditure on training and travel by CSR staff working in the Department.

Theme for the year: Health & Nutrition and PM Internship Scheme.

2. Composition of CSR Committee

The Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee of the Board recommends the CSR projects from time to time for the approval of the Board. However, effective November 22, 2024, the CSR & SD Committee ceased to exist due to the completion of tenure of the Independent Directors and the subsequent non-appointment of new incumbents by the Government of India. The CSR & SD Committee was reconstituted with effect from June 01, 2025 following the appointment of Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL on May 21, 2025. Accordingly, from November 22, 2024 till May 31, 2025 the CSR proposals were considered directly by the Board of Directors of the Company based on the recommendations of the below Board level CSR Executive Committee. The Composition of the CSR & SD Committee from June 01, 2025 till January 31, 2026 is given below:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR & SD Committee	
			held during the year	attended during the year
1.	Shri Madhu Sankunny Nair (DIN: 07376798)	Chairman and Managing Director – Chairperson	3	3
2.	Shri Jose V J (DIN: 08444440)	Director (Finance) – Member	3	3
3.	Dr. Seema Suri (DIN: 11117145)	Non-official (Independent) Director – Member	3	3

Consequent to the retirement on superannuation of Shri Madhu Sankunny Nair as the Chairman and Managing Director of the Company on January 31, 2026, the CSR & SD Committee was reconstituted on February 01, 2026 with Shri Jose V J (DIN: 08444440), Director (Finance) & CMD (Addl. Charge) as Chairperson, Dr. Harikrishnan S, (DIN: 10221559), Director (Operations), Shri Rajesh Gopalakrishnan (DIN: 09576336), Director (Technical) and Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Members. No meetings of the CSR & SD Committee were held during their tenure in FY 2025-26.

3. Web-link where Composition of CSR & SD Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

Composition of CSR & SD Committee	https://cochinshipyard.in/csr/aboutus#parentVerticalTab4
CSR Policy	https://cochinshipyard.in/csr/aboutus#parentVerticalTab3
CSR projects approved by the Board	https://cochinshipyard.in/csr/aboutus#parentVerticalTab10

4. Executive summary along with web-link(s) of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

Impact assessment of the project 'Welding for Nation Building' was carried out by the School of Management Studies (SMS), Cochin University of Science and Technology (CUSAT). The summary of the report submitted by them is given below:

An independent impact assessment of the Welding for Nation Building CSR project of Cochin Shipyard Limited (CSL), implemented in partnership with Don Bosco Tech, Vaduthala, with the objective of enhancing employability and livelihood opportunities for youth from economically disadvantaged and Below Poverty Line (BPL) households in Kerala, was conducted by the School of Management Studies (SMS), Cochin University of Science and Technology (CUSAT) using the OECD-DAC Evaluation Framework. The assessment evaluated the project across six dimensions viz., Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability, through a mixed-methods approach involving stakeholder interviews and a structured survey of 123 beneficiaries.

The assessment found the project to be highly relevant, effectively addressing the need for affordable, industry-oriented welding training for economically disadvantaged youth in Kerala. By targeting first-generation technical learners and aligning training with industry demand, the programme has enhanced employability while supporting the growth of key sectors such as construction, fabrication, shipbuilding and manufacturing.

The project demonstrated strong coherence with national skill development initiatives, including the Skill India Mission and the National Skill Development Policy, while aligning closely with CSL's CSR objectives and core business ecosystem.

The evaluation confirmed that the programme has successfully achieved its intended outcomes. High completion and certification rates, increased technical competency, enhanced confidence among trainees and positive employment outcomes reflect the effectiveness of the training model. Employers also acknowledged the technical proficiency and safety awareness of trained welders.

The assessment further highlighted the project's efficient utilisation of CSR resources, delivering high-quality, industry-standard training at no cost to beneficiaries through optimal use of infrastructure, practical learning, advanced welding simulators and recognised certification, thereby ensuring strong value for money.

The project has generated significant socio-economic impact by improving livelihoods, strengthening household incomes, enhancing professional confidence and facilitating the productive employment of economically disadvantaged youth. These outcomes have contributed to greater social inclusion and the effective utilisation of India's demographic dividend.

The assessment also concluded that the project's benefits are sustainable, supported by transferable technical skills, industry-recognised certification and sustained demand for skilled welders. Overall, the Welding for Nation Building initiative is recognised as a well-designed, impactful and replicable CSR intervention that effectively translates skill development into sustainable livelihood opportunities while creating long-term value for beneficiaries, industry and society.

The full report is available on the Company's website and can be accessed through the link https://cochinshipyard.in/csr/aboutus#parentVerticalTab8.

5. (a) Average net profit of the Company as per sub-section (5) of section 135 of the Companies Act, 2013 ("Act"): ₹891.99 Crores

   (b) Two percent of average net profit of the Company as per sub-section (5) of section 135 of the Act: ₹17.84 Crores

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

   (d) Amount required to be set-off for the financial year, if any : ₹3.95 Crores

   (e) Total CSR obligation for the financial year [(b) + (c) – (d)]: ₹13.89 Crores

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹14.84 Crores

   (b) Amount spent in Administrative Overheads: ₹0.70 Crores

   (c) Amount spent on Impact Assessment, if applicable : Nil

   Note: The payment for impact assessment carried out in FY26 will be paid in FY27.

   (d) Total amount spent for the financial year [(a) + (b) + (c)]: ₹15.54 Crores

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
15.54 Crores	Nil	NA	NA	Nil	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135 of the Act*	13.89 Crores
(ii)	Total amount spent for the financial year	15.54 Crores
(iii)	Excess amount spent for the financial year [(ii) - (i)]	1.65 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	1.65 Crores

*The CSR obligation for the financial year 2025-26 after adjusting the excess spent during the financial year 2024-25.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 of the Act (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 of the Act (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	2024-25	Nil	Nil	Nil	Nil	NA	Nil	Nil
2.	2023-24	Nil	Nil	Nil	Nil	NA	Nil	Nil
3.	2022-23	Nil	Nil	Nil	Nil	NA	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

◉ Yes No

If Yes, enter the number of capital assets created/ acquired 78

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Please refer **Annexure IIA**.

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 of the Act:

Not Applicable.

Jose V J
Chairperson, CSR & SD Committee
Director (Finance) & CMD (Addl. Charge)
DIN: 08444440

Kochi
May 15, 2026

Annexure IIA

Details relating to the capital assets created/ acquired through Corporate Social Responsibility amount spent in the financial year 2025-26

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
1.	Construction of additional classrooms	683572	15.06.2025	50,000	CSR00054554	St. Rockey's L P School	Elavoor P O, Angamali, Ernakulam, Kerala
2.	Vehicle for transportation of special children	682313	26.04.2025	52,400	CSR00047166	Buds Rehabilitation Centre	Edakkattuvayal Grama Panchayat, Edakkattuvayal, Ernakulam, Kerala
3.	Vehicle for distribution of food to various wards in the hospital at Mental Health Centre, Perurkada, Thiruvananthapuram	695005	10.06.2025	54,897	CSR00074709	District Collector, Chairperson, Hospital Development Committee, Thiruvananthapuram	Collectorate, Civil Station, Kudappanakunnu, Thiruvananthapuram, Kerala
4.	Drinking water project providing tube well in villages	743374	12.07.2025	1,00,000	CSR00001189	South Sundarban Jan Kalyan Sangha	Raghunathpur, Madhabnagar P O, South 24 Parganas, West Bengal
5.	Setting up butterfly garden at Bharata Mata College campus	682021	16.09.2025	150000	CSR00050088	Bharata Mata Extension For Organic Research and Environment (BeFORE)	Bharata Mata College Campus, Thrikkakara, Ernakulam, Kerala
6.	Toilet project at Fort Kochi	682011	28.06.2025	1,79,536	CSR00023887	District Tourism Promotion Council (DTPC), District Collector, Ernakulam	Opp. Rajendra Maidan, Park Avenue Road, Ernakulam, Kerala
7.	Improved infrastructure for abandoned elderly	671531	07.10.2025	2,00,000	CSR00053699	New Malabar Punaradhivasa Kendram Charitable Trust	Malappachery, Kanhirapoyil P O, Nileshwaram, Kasaragod, Kerala
8.	Construction of open-air auditorium for Vyasa Public School, Kakkanad	682030	15.08.2025	2,00,000	CSR00040998	Vyasa Charitable Trust	Vyasa Nagar, Palachuvadu, Kakkanad P O, Ernakulam, Kerala
9.	Audiology Lab in special school	671542	25.08.2025	2,00,000	CSR00035359	Akkara Foundation Centre	Kottoor P O, Muliyar, Kasaragod, Kerala
10.	Play equipment for special school	695014	18.08.2025	2,50,000	CSR00015553	Rotary Institute For Children In Need Of Special Care	TC 15/920, Behind Tagore Theatre, Vazhuthacaud, Thiruvananthapuram, Kerala
11.	Infrastructure improvement in girls school	682511	20.09.2025	3,00,000	CSR00029931	Sacred Heart Girls UP School Malippuram, Ernakulam	Ernakulam Social Service Society, Providence Road, Ernakulam, Kerala
12.	Expansion of Vipassana Centre	421604	24.06.2025	4,00,000	CSR00060383	Dipankar Vipassana Memorial Trust	Vasai, Maharashtra
13.	Residential building for special school	679503	20.08.2025	4,52,000	CSR00061297	UNARV Special School	UNARV Assisted Living Day Care Home and Charitable Trust, Kavuvattom, Cherpulassery, Palakkad, Kerala
14.	Passenger boat for transportation of men and material to Island – Seed Farm, Aluva	683101	27.04.2025	4,90,000	CSR00018797	State Seed Farm, Aluva	District Panchayat, Ernakulam

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(1)	(2)	(3)	(4)	(5)	(6)		
15.	Improvement to library building	679576	26.08.2025	5,00,000	CSR00067666	Vallathol Educational Trust	Sukapuram, Edappal, Malappuram, Kerala
16.	Construction of class room at Gayatri Vidya Mandir Public School, Changanassery	686101	30.10.2025	5,00,000	CSR00012857	Sukritham Charitable Trust	Amara P O, Venkotta, Changanassery, Kottayam, Kerala
17.	Skill development for unemployed youth	250001	28.07.2025	5,00,000	CSR00029540	Symbiosis Institute of Computer Applications	Meerut, Uttar Pradesh
18.	Support for digital education for Navy Children School, Kochi	682004	06.11.2025	5,00,000	CSR00011888	Navy Childrens School, Kochi	Kerala Infrastructure and Technology for Education (KITE), State Office Poojapura, Thiruvananthapuram, Kerala
19.	Infrastructure development of destitute home	683541	14.07.2025	5,00,000	CSR00054205	Bethany Snehalayam	Kunnakurudy, Trikkalathur, Ernakulam, Kerala
20.	Ambulance for mentally challenged and destitute individuals at the centre	670013	23.10.2025	5,00,000	CSR00038174	Kannur Association for Integrated Rural Organisation and Support (KAIROS)	Burnassery P O, Kannur, Kerala
21.	Solarisation in the main campus of Aadi Shankara Nilayam	682313	14.10.2025	6,00,000	CSR00019852	Chinmaya International Foundation ERNAKULAM	Adi Sankara Nilayam, Veliyanad, Ernakulam, Kerala
22.	Skill Centre at Pain and Palliative Care Training Hall at Family Health Centre, Noolpuzha, Wayanad	673592	18.12.2025	6,00,000	CSR00068596	District Nirmithi Kendra Wayanad	Family Health Centre, Noolpuzha, Naiketty P O, Wayanad, Kerala
23.	Computer for Sabari Balika Sadanam, Konni	689691	05.08.2025	6,00,000	CSR00054796	Sabari Seva Samithi, Sabari Balika Sadanam	Eliyarackal, Konni, Pathanamthitta, Kerala
24.	Renovation of Govt. UP School, Kunnukurudy	683541	10.11.2025	6,00,000	CSR00088359	Mazhuvannoor Grama Panchayat	Govt. UP School, Kunnukurudy, Mazhuvannoor Grama Panchayat, Airapuram P O, Ernakulam, Kerala
25.	Computer Lab for media education meant for marginalised groups at M G College, Kozhikode	673002	24.03.2025	7,50,000	CSR00072156	Hindustan Prakashan Trust	Swasti Disha, Madhavan Nair Road, Chalappuram, Kozhikode, Kerala
26.	Support for digital library in Womens Polytechnic College, Kalamassery	683104	06.06.2025	9,83,262	CSR00023185	Womens Polytechnic College	District Administration, Ernakulam, Kerala
27.	Setting up Tribal Community Centre at Govt. Welfare LP School, Vazhachal	680721	27.10.2025	10,00,000	CSR00090331	Athirappilly Grama Panchayat	Govt. Welfare LP School, Vazhachal, Thrissur, Kerala
28.	Improvement of water source for clean drinking water	670645	04.03.2025	10,00,000	CSR00049724	Society of Fr. Tezza for Mentally Retarded	Mananthawady P O, Kuzhinilam, Wayanad, Kerala
29.	Blood Storage Unit at Tribal Speciality Hospital, Nalloornad Wayanad	670645	14.08.2025	10,00,000	CSR00068596	District Nirmithi Kendra, Wayanad	Govt. Tribal Specialty Hospital, Nalloornad, Wayanad, Kerala
30.	Installation of lift for old age patients	682017	30.09.2025	10,00,000	CSR00022980	Sree Ramakrishna Sevasramam	Ashramam Lane, Azad Road, Kaloor, Kochi, Ernakulam, Kerala
31.	Infra development for Sanskrit education	686001	13.11.2025	10,00,000	CSR00019711	Swamiyar Madom Charitable Trust	Thirunakkara, Kottayam, Kerala

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(1)	(2)	(3)	(4)	(5)	(6)		
32.	Construction of compound wall, gate and inter lock of UNARV Special School, Cherpulassery	679503	30.05.2025	10,00,000	CSR00061297	UNARV Special School	UNARV Assisted Living Day Care Home and Charitable Trust, Kavuvattom, Cherpulassery, Palakkad, Kerala
33.	Support for purchase of physiotherapy equipment and infra for Primary Health Centre, Pullampara	695103	11.12.2025	10,00,000	CSR00024389	Pullampara Grama Panchayat	Primary Health Centre, Pullampara, Thiruvananthapuram, Kerala
34.	Procurement and installation of X-Ray machine in District Ayurvedic Hospital, Kannur	670002	17.10.2025	11,79,436	CSR00015937	District Panchayat, Kannur	District Ayurvedic Hospital, Thana, Kannur, Kerala
35.	Karnikaram Special Village Rehabilitation Centre for person with multiple disability	679105	20.11.2025	12,50,000	CSR00003511	Nila Seva Samithi	Thanal Balashramam, Mayannur, Thrissur, Kerala
36.	Support for construction of Ayurvedic Health Centre	682308	07.10.2025	13,76,494	CSR00042111	Kallorkkad Grama Panchayat	Govt. Ayurvedic Dispensary, Kallorkkad, Ernakulam, Kerala
37.	Improvement of infrastructure at Sree Sankara Vidya Niketan UP School, Mananthavadi tribal region	670645	19.02.2026	15,00,000	CSR00018118	Swami Vivekananda Medical Mission	Sree Sankara Vidyanikethan UP School, Cherukara, Wayanad, Kerala
38.	Setting up of Nutri Food Lab at St. Teresa's College, Ernakulam	682011	16.04.2025	15,00,000	CSR00027592	St. Theresa’s College	St. Teresa's College Welfare Society, Park Avenue Road, Ernakulam, Kerala
39.	Setting up advanced Oncology Centre, Nalloornad, Ambedkar Memorial District Cancer Centre, Govt. Tribal Speciality Hospital	670645	14.08.2025	16,30,000	CSR00068596	District Nirmithi Kendra, Wayanad	Govt. Tribal Specialty Hospital, Nalloornad, Wayanad, Kerala
40.	Construction of 3 classrooms in Govt. Primary School, Hangarkatte, Udupi	576101	12.03.2025	16,50,000	CSR00066132	Palli Srinivas Hegde Charitable Trust	Govt. Higher Primary School, Balakudru, Udupi, Karnataka
41.	Construction of shelter home for old aged at Sanathana Seva Samithi, Koodappuzha	680307	12.12.2025	20,00,000	CSR00057210	Sanathana Seva Samithi	Sanatana Seva Samiti Educational, Cultural and Charitable Trust, Koodppuzha, Chalakudi, Thrissur, Kerala
42.	Construction of Arogya Kendra Health Care Centre at Ajmer	302015	26.01.2026	20,00,000	CSR00058152	Bal Sansar Sanstha	Swasti, Bajaj Nagar, Jaipur, Rajasthan
43.	Mammogram machine for Mobile Medical Unit	683112	24.10.2025	30,00,000	CSR00019921	Rajagiri Karunya Trust	Rajagiri Hospital, Chunanganveli, Aluva, Ernakulam, Kerala
44.	Augmentation of Rehabilitation Oncology Unit	670103	06.05.2025	35,00,000	CSR00010773	Malabar Cancer Centre	Malabar Cancer Centre Post Graduate Institute of Oncology Sciences and Research, Moozhikkara P O, Thalassery, Kannur, Kerala

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(1)	(2)	(3)	(4)	(5)	(6)		
45.	Construction of child care project at Cherai, Ernakulam, limited to ground floor	683514	08.01.2026	45,00,000	CSR00020044	Radheyam Child Care Project	Ernakulam Karayogam, TDM Hall Complex, Durbar Hall Road, Kochi, Ernakulam, Kerala
46.	Open gym in six locations at Trikkakara municipal area	682030	21.03.2026	49,99,627	CSR00003267	Soukhyam Charitable Trust	George Eden Road, Kaloor, Kochi, Ernakulam, Kerala
47.	Modernise research diagnostic capability at RCC – Droplet Digital PCR system	695011	20.09.2025	59,99,982	CSR00017970	Regional Cancer Centre, Thiruvananthapuram	Medical College P O, Thiruvananthapuram, Kerala
48.	Equipments for Cardiology Department Heart Transplant Unit at General Hospital, Ernakulam	682011	12.10.2025	70,00,000	CSR00016677	General Hospital, Ernakulam	Hospital Development Society, General Hospital, Ernakulam, Kerala
49.	Procurement of medical equipments and construction of Food Distribution Centre	683503	22.03.2026	88,23,700	CSR00025439	Govt. Medical College, Ernakulam	Ernakulam Govt. Medical College Hospital Development Society, Ernakulam
50.	Centre for Excellence in Sustainable Shipbuilding at CUSAT, Kochi	682022	19.03.2026	55,50,000	CSR00027765	CUSAT	Registrar, Cochin University of Science and Technology (CUSAT), Kalamassery, Ernakulam
51.	Installation of open air gym in different locations at Kochi Municipal Corporation	682018	26.03.2026	31,16,000	CSR00022791	Centre for Heritage, Environment and Development (C HED)	Kacherippady, Kochi, Ernakulam
52.	Construction of OP/ IP Block at Community Health Centre, Kulathupuzha	691310	20.02.2026	30,00,000	CSR00035386	Community Health Centre, Kulathupuzha	Kerala State Nirmithi Kendra, Kottarakkara, Kollam
53.	Support for construction of day care centre for differently abled	680312	10.02.2026	23,00,000	CSR00071228	Sevabharathi, Pudukkad	Chengaloor P O, Thrissur
54.	Vehicle support for eye screening and cataract surgeries at tribal area of Ernakulam and suburbs	682020	28.03.2026	21,15,000	CSR00057179	SSM Eye Research Foundation	Ponneth Temple Road, Kadavanthra, Kochi, Ernakulam
55.	Support for installation of AI smart fencing	686691	24.03.2026	20,00,000	CSR00087174	Kothamangalam Thodupuha Forest Development Agency	Divisional Office, Kothamangalam, Ernakulam
56.	Support for construction of basement and ground floor for Jeramiah's Centre at Ochanthuruth, Vypin	682508	22.03.2026	18,00,000	CSR00005080	Jeramiah's Home and Betroni Palliative Care Centre Charitable Trust	Ochanthuruth, Vypin, Ernakulam
57.	Upgradation of educational facilities at KUFOS, Panangad Campus	682506	28.03.2026	18,00,000	CSR00089635	Kerala University of Fisheries and Ocean Studies (KUFOS)	Panangad, Kochi, Ernakulam
58.	Construction of auditorium and truss work at Nazreth LP School, Aluva	683101	20.03.2026	18,00,000	CSR00089671	Nazreth LP School, Aluva	The Friendship House, Fr. Ignatious Junction, Aluva, Ernakulam

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(1)	(2)	(3)	(4)	(5)	(6)		
59.	Support for construction of school building at Sri Raghavendra Vidyalaya, Cherthala, Alappuzha	688523	27.02.2026	15,00,000	CSR00025455	Sri Raghavendra Vidyalaya	Sri Vyasa Prasanna Raghavendra Charitable Trust, Puthukkalavattom, Elamakkara, Kochi, Ernakulam
60.	Support for construction of class rooms at GHS, Chottanikkara	682312	15.02.2026	15,00,000	CSR00018797	Government High School, Chottanikkara	District Panchayat, Ernakulam
61.	Support for construction of yoga hall at Bhavans, Thrissur	680751	18.03.2026	15,00,000	CSR00009636	Bharatheeya Vidyabhavan (Bhavans)	Poochatty, Thrissur
62.	Construction of rehabilitation centre for differently abled at Hope Foundation, Kannur	670504	20.03.2026	14,40,000	CSR00059474	Health Oriented Project Establishments (HOPE)	Kannur
63.	Installation of 50 kW roof top solar power plant at CUSAT campus, Kochi	682022	15.02.2026	12,50,000	CSR00027765	CUSAT	Registrar, Cochin University of Science and Technology (CUSAT), Kalamassery, Ernakulam
64.	Construction of open auditorium for Gandhi Shatabdi Govt. Model Higher Primary School, Malpe	576108	13.03.2026	12,40,000	CSR00066132	Gandhi Shatabdi Govt. Model Higher Primary School	Palli Srinivas Hegde Charitable Trust, Udupi
65.	Support for mobile unit with sickle cell anemia screening and detection, nutritional support for malnutritioned children and vocational rehabilitation for sickle cell patients in Wayanad	673122	28.03.2026	10,00,000	CSR00070024	National Health Mission (NHM)	District Programme Manager (NHM), Wayanad
66.	Installation of solar street lighting – GHSS Munderi, Kannur	670591	15.02.2026	10,00,000	CSR00015937	Government Higher Secondary School (GHSS)	District Panchayat, Munderi Kannur
67.	Construction of school building at St. Mary's UP School, South Chittoor	682027	13.03.2026	10,00,000	CSR00029931	St. Mary's UP School	Ernakulam Social Service Society, Kacherippady, Kochi, Ernakulam
68.	Construction of office cum training centre for SC community at Arayankavu, Ernakulam	682315	28.03.2026	10,00,000	CSR00028768	Mahatma Ayyankali Ambedkar Research and Charitable Trust	Arayankavu, Ernakulam
69.	Construction of community hall at Seethalakshmi and BM Ramakrishna Hathwar Govt. High School, Beejadi	576222	22.03.2026	10,00,000	CSR00023655	Seethalakshmi and BM Ramakrishna Hathwar Govt. High School, Beejadi	Geethanand Foundation Sindhudhaya, Manoor, Udupi
70.	Infrastructure development of Ananthamurthy International School, Thiruvananthapuram	695013	28.03.2026	9,00,000	CSR00092032	Ananthamurthy Foundation	Thiruvananthapuram
71.	School bus for special children at Sanjose Vidyalaya, Ettumanoor	686631	23.03.2026	9,00,000	CSR00087614	Sanjose Vidyalaya, Ettumanoor	Sanjose Welfare Centre, Ettumanoor, Kottayam

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(1)	(2)	(3)	(4)	(5)	(6)		
72.	Construction of tribal community centre at Pathanamthitta	689662	28.02.2026	9,00,000	CSR00062029	Tribal Community Centre, Manjathodu, Pathanamthitta	RECCA Sewa Charitable Society, Kottayam
73.	Infrastructure development of Model Tribal Residential School, Chalakudy	680721	25.03.2026	8,50,000	CSR00063487	Model Tribal Residential School, Chalakudy	District Nirmithi Kendra, Thrissur
74.	Renovation of Nithyasahayasadan Geriatric and Palliative Care Centre at Maradu	682304	22.02.2026	7,50,000	CSR00061982	Nithyasahayasadan Geriatric and Palliative Care Centre	Perpetual Succour Charitable Trust (PS Mission), Maradu, Ernakulam
75.	Infrastructure development of Govt. LP School, Nechoor, Maneed Grama Panchayat	686664	23.03.2026	5,79,387	CSR00044956	Government LP School	Maneed Grama Panchayat, Nechoor, Ernakulam
76.	Computer lab for under privileged students at MAA Radhika Inter College, Varanasi	221208	22.03.2026	5,00,000	CSR00006833	MAA Radhika Inter College, Odaar, Varanasi	Society for National Education Entrepreneurship and Development, Ambala City, Haryana
77.	Saral Digikul – job oriented training for the rural youths of Nalanda district of Bihar	803111	24.02.2026	5,00,000	CSR00012878	Saral Services, Nalanda	Nalanda Heritage City, Bihar
78.	Procurement of infrastructure equipment towards skilling visually challenged youth in selected blind schools in Kerala	686508	29.03.2026	4,50,000	CSR00090294	Equibeing Foundation	Tumkur Road, Nagasandra, Bengaluru

For and on behalf of the Board of Directors

Jose V J
Director (Finance) & CMD (Addl. Charge)
DIN: 08444440

Kochi
May 15, 2026

Annexure III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
COCHIN SHIPYARD LIMITED
Administrative Building
Cochin Shipyard Premises
Perumanoor, Cochin
Ernakulam, Kerala, India, 682015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **COCHIN SHIPYARD LIMITED (CIN: L63032KL1972GOI002414)** (hereinafter called the "Company or CSL"). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Company's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2026**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted verification of the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable during the audit period).

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the audit period).

d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (not applicable during the audit period).

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (not applicable during the audit period).

h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (not applicable during the audit period).

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (not applicable during the audit period).

j) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (not applicable during the audit period).

(vi) As informed to us, the following other laws are specifically applicable to the Company:

a) The Factories Act,1948 and the Regulations and Bye-laws framed thereunder.

b) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.

c) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

d) Batteries (Management and Handling) Rules, 2001.

e) The Industries (Development and Regulation) Act, 1951 and the Regulations and Bye-laws framed thereunder.

f) The Water (Prevention and Control of Pollution) Act, 1974 and the Regulations and Bye-laws framed there under.

g) The Air (Prevention and Control of Pollution) Act, 1981 and the Regulations and Bye-laws framed there under.

h) The Environment (Protection) Act, 1986 and the Regulations and Bye-laws framed thereunder.

i) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

j) The Industrial Employment (Standing Orders) Act, 1946 and the Rules framed thereunder.

k) The Right to Information Act, 2005 and the Rules framed thereunder.

l) The Electricity Act, 2003 and the Rules framed thereunder.

m) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 ("CG Guidelines for CPSEs"); and

n) Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standard relating to Board (SS 1) and General Meetings (SS 2) issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Composition of Board – Independent Directors

The Company did not have sufficient number of Independent Directors on its Board during the audit period, as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), Section 149 of the Companies Act, 2013 ("the Act"), and Clause 3.1 of the Corporate Governance Guidelines for Central Public Sector Enterprises ("CG Guidelines for CPSEs"). The Company only had one Independent Director on its Board during the audit period, who was appointed on May 21, 2025. Consequently, the Company was non-compliant with respect to the conduct of separate meeting of Independent Director as mandated under Regulation 25(3)&(4) of the SEBI LODR Regulations and Schedule IV to the Act.

2. Woman Director / Woman Independent Director

There was no Woman Independent Director on its Board from the start of the audit period up to May 20, 2025, as mandated under Regulation 17 of the SEBI LODR Regulations. Further, the Company was also non-compliant with the requirement of appointing at least one Woman Director under Section 149 of the Act during the said period.

3. Audit Committee

The Company did not have a duly constituted Audit Committee during the audit period, as required under

Regulation 18 of the SEBI LODR Regulations, Section 177 of the Act, and Clause 4.1 of the CG Guidelines for CPSEs. Consequently, the Company was also non-compliant with respect to the conduct and frequency of Audit Committee meetings as mandated under Regulation 18(2) of the SEBI LODR Regulations and Clause 4.4 of the CG Guidelines for CPSEs.

4. Nomination and Remuneration Committee

   The Company did not have a duly constituted Nomination and Remuneration Committee during the audit period, as required under Regulation 19 of the SEBI LODR Regulations, Section 178 of the Act, and Clause 5.1 of the CG Guidelines for CPSEs. Consequently, the Company was also non-compliant with respect to the conduct and frequency of Nomination and Remuneration Committee meetings as mandated under Regulation 19(3A) of the SEBI LODR Regulations.

5. Stakeholders Relationship Committee

   The Company did not have a duly constituted Stakeholders Relationship Committee from the start of the audit period up to May 31, 2025, as required under Regulation 20 of the SEBI LODR Regulations and Section 178 of the Act.

6. Corporate Social Responsibility (CSR) Committee

   The Company did not have a duly constituted Corporate Social Responsibility Committee from the start of the audit period up to May 31, 2025, as required under Section 135 of the Act.

7. Risk Management Committee

   The Company did not have a duly constituted Risk Management Committee from the start of the audit period up to May 31, 2025, as required under Regulation 21 of the SEBI LODR Regulations.

8. Quorum for Board Meetings

   The requirement of quorum of at least one independent director as mandated under Regulation 17 of SEBI LODR Regulations was not met in the Board Meeting of the Company held on May 15, 2025 as there were no independent directors on the Board of the Company.

We have noticed that such non-compliances have been duly noted by the Board and appropriate requests for appointing sufficient number of independent directors have been forwarded to the Government of India. The Company being a Central Public Sector Enterprise (CPSE), the power to appoint the Directors vests with the Government of India.

We further report that:

1. Shri Madhu Sankunny Nair (DIN: 07376798), Chairman and Managing Director retired on superannuation from the services of the Company on January 31, 2026. Further, pursuant to Letter no. SY-11011/1/2009-CSL dated January 28, 2026, issued by the Ministry of Ports, Shipping and Waterways, Government of India, Shri Valiyaparambil Jacob Jose (DIN: 08444440), Director (Finance), was assigned the additional charge of the post of Chairman and Managing Director of the Company for a period of three months w.e.f February 01, 2026 or until further orders, whichever is earlier.

2. In terms of the Letters No.01/03/2025-EO(ACC) and No.01/04/2025-EO(ACC), dated August 21, 2025, issued by the Secretariat of the Appointments Committee of the Cabinet, Department of Personnel and Training, communicated to the Company through email by the Ministry of Ports, Shipping and Waterways on August 27, 2025, Shri Sankaranarayanapillai Harikrishnan (DIN:10221559), Executive Director (Ship Building), CSL and Shri Rajesh Gopalakrishnan (DIN: 09576336), Executive Director (Ship Repair), CSL had assumed charge as Director (Operations) and Director (Technical), respectively, of the Company w.e.f August 27, 2025.

3. Shri Venkatesapathy Sivaperumal IAS (DIN: 07407879), Joint Secretary, MoPSW was appointed as Part-time Official (Nominee) Director on the Board of Directors of the Company in place of Shri Rajesh Kumar Sinha IAS (DIN: 05351383), the then Additional Secretary, MoPSW, with effect from August 07, 2025 until further orders.

4. Shri P.B Nooh IAS (DIN: 09701541), Special Secretary, Transport Department, Government of Kerala was appointed as Part-time Official (Nominee) Director on the Board of Directors of the Company with effect from June 20, 2025 until further orders.

5. Shri Bejoy Bhasker (DIN: 08103825), Director (Technical) retired on superannuation from the services of the Company on May 31,2025.

6. Shri Sreejith K Narayanan (DIN: 09543968), Director (Operations) retired on superannuation from the services of the Company on May 31, 2025.

7. Shri Biju Prabhakar IAS (Retd.) (DIN: 03093072), Part-time official (Nominee) Director had vacated the office on May 31, 2025 pursuant to Section 167(1)(b) of the Act.

8. Smt. Seema Suri (DIN: 11117145) was appointed as Non-official (Independent) Director on the Board of CSL with effect from May 21, 2025 to May 19, 2028.

We further report that during the audit period fines have been levied by both BSE and NSE for Non-Compliance of Corporate Governance conditions as prescribed under SEBI LODR Regulations as follows:

1	Non-compliance with Regulation 17(1) (composition of Board of Directors – Insufficient/ no Independent Directors) of the SEBI LODR Regulations for the period from April 01, 2025 to December 31, 2025.	₹16,22,500/- each (including GST)	BSE and NSE
2	Non-compliance with Regulation 17(2A) (requirements pertaining to quorum of Board meetings) during the quarter ended June 30, 2025.	₹11,800 each (including GST)	BSE and NSE
3	Non-compliance with Regulation 18 (constitution of Audit Committee) for the period from April 01, 2025 to December 31, 2025.	₹6,49,000 each (including GST)	BSE and NSE
4	Non-compliance with Regulation 19 (constitution of Nomination and Remuneration Committee) for the period from April 01, 2025 to December 31, 2025.	₹6,49,000 each (including GST)	BSE and NSE
5	Non-compliance with Regulation 20 (constitution of Stakeholders Relationship Committee) during the quarter ended June 30, 2025.	₹1,43,960 each (including GST)	BSE and NSE
6	Non-compliance with Regulation 21 (constitution of Risk Management Committee) during the quarter ended June 30, 2025.	₹1,43,960 each (including GST)	BSE and NSE

Note:

The Company being a CPSE, the power to appoint the Directors vests with the Government of India. It is seen that appropriate requests for appointing sufficient number of Independent Directors including a woman Independent Director have been forwarded to the Government of India. Consequently, the Ministry of Ports, Shipping & Waterways, Government of India vide their Letter No. SY-11012/1/2016-CSL dated May 20, 2025, appointed Smt. Seema Suri (DIN: 11117145) as a Non-official (Independent) Director on the Board of CSL. Following her induction, the Company re-constituted the Stakeholders Relationship Committee and the Risk Management Committee in line with the SEBI LODR Regulations on June 01, 2025. Since the said non-compliances were neither due to the negligence/ default by the Company nor within the control of the management of the Company, BSE and NSE have waived the fines imposed under Regulations 17(2A), 20 and 21 of the SEBI LODR Regulations upon submission of waiver request by the Company. The appointment of the remaining five Independent Directors is awaited from the Government of India. It has been informed that since achieving compliance is a pre-requisite for applying for a waiver of fines, appropriate requests for waiver of fines imposed w.r.t Regulations 17(1), 18 and 19 of the SEBI LODR Regulations will be filed with the stock exchanges as per the extant Policy for Exemption of Fines, upon appointment of the remaining Independent Directors by the Government of India.

We further report that:

The Board of Directors of the Company is constituted without proper balance of Executive Directors, Non-Executive Directors including Independent Directors as mentioned above, due to non-appointment of sufficient number of Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except as reported above.

Adequate notice was given to all directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting except in the case of Shorter Notice.

Decisions at the meetings of the Board of Directors of the Company were carried out on the basis of majority and the same was captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with its size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

(i) Issuance of securities including Public/ Right/ Preferential issue.

(ii) Major decisions taken by the members in pursuance to Section 180 of the Act.

(iii) Redemption of securities.

(iv) Buy-back of securities.

(v) Merger/amalgamation/ reconstruction.

(vi) Foreign technical collaborations.

This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.

Yours faithfully,

For SEP & Associates
UDIN: F003050H000258437
Company Secretaries
(The Peer Review Certificate no. 6780/2025)

CS Puzhankara Sivakumar
Managing Partner
M. No.: 3050 COP No.: 2210

Place: Ernakulam
Date: 02.05.2026

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members
COCHIN SHIPYARD LIMITED
Administrative Building
Cochin Shipyard Premises
Perumanoor, Cochin
Ernakulam, Kerala, India, 682015

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of the provisions of all laws, rules, regulations, and standards applicable to **COCHIN SHIPYARD LIMITED** (hereinafter called the "Company") is the responsibility of management of the Company. Our examination was limited to the verification of the records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of the Secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to issue a Secretarial Audit Report, based on the audit of the relevant record maintained and furnished to us by the Company, along with explanations where so required.
3. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial and other records, legal compliance mechanism and corporate conduct. We believe that the process and practices we followed provide a reasonable basis for our Secretarial Audit Report.
4. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
5. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2026 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SEP & Associates
UDIN: F003050H000258437
Company Secretaries
(The Peer Review Certificate no. 6780/2025)

CS Puzhankara Sivakumar
Managing Partner
M. No.: 3050 COP No.: 2210

Place: Ernakulam
Date: 02.05.2026

For and on behalf of the Board of Directors

Jose V J
Director (Finance) & CMD (Addl. Charge)
DIN: 08444440

Kochi
May 15, 2026

Report on Corporate Governance

Company's Philosophy on Corporate Governance

1. Cochin Shipyard Limited (CSL) recognises the importance of Corporate Governance to emerge as a model corporate. The Company has adopted policies and procedures which are aimed at effectively discharging its responsibilities to various stakeholders, viz., shareholders, creditors, customers, employees and society at large. CSL strongly believes that the Company can emerge as a strong global leader only by following good and sound Corporate Governance principles. The Company has been rated 'Excellent' in Corporate Governance practices as per the evaluation criteria prescribed by the Department of Public Enterprises consistently for the last several years.

Board of Directors

2. The Board of Directors of CSL plays a pivotal role in ensuring good Corporate Governance. The composition of the Board of the Company is governed by the provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE). The composition of the Board during the financial year ended March 31, 2026, was as follows:

Sl. No.	Name of Director	Director Identification Number (DIN)	Category of Directorship
1.	Shri Madhu Sankunny Nair(1)	07376798	Chairman and Managing Director (CMD)
2.	Shri Bejoy Bhasker(2)	08103825	Director (Technical)
3.	Shri Jose V J(3)	08444440	Director (Finance) & CMD (Addl. Charge)
4.	Shri Sreejith K Narayanan(4)	09543968	Director (Operations)
5.	Dr. Harikrishnan S(5)	10221559	Director (Operations)
6.	Shri Rajesh Gopalakrishnan(6)	09576336	Director (Technical)
7.	Shri Rajesh Kumar Sinha IAS (Retd.)(7)	05351383	Part-time Official Director (Government Nominee)
8.	Shri Venkatesapathy S IAS(7)	07407879	Part-time Official Director (Government Nominee)
9.	Shri Biju Prabhakar IAS (Retd.)(8)	03093072	Part-time Official Director (Government Nominee)
10.	Shri P B Nooh IAS(9)	09701541	Part-time Official Director (Government Nominee)
11.	Dr. Seema Suri(10)	11117145	Non-official (Independent) Director

(1)The Appointments Committee of the Cabinet (ACC), vide Letter No. 01/06/2025-EO(ACC) dated December 02, 2025 extended the tenure of Shri Madhu Sankunny Nair (DIN: 07376798) as Chairman and Managing Director for a period from January 01, 2026 till January 31, 2026, i.e. up to the date of his superannuation. Consequently, he retired on superannuation from the services of the Company on January 31, 2026.

(2)Shri Bejoy Bhasker, Director (Technical) retired on superannuation from the services of the Company on May 31, 2025.

(3)Shri Jose V J, whose office as Director was liable to retire by rotation and being eligible was reappointed as the Director of the Company at the 53rd Annual General Meeting (AGM) of the Company held on September 29, 2025. Further, consequent upon the retirement on superannuation of Shri Madhu Sankunny Nair as the Chairman and Managing Director of the Company on January 31, 2026, Shri Jose V J has been entrusted with the additional charge of the post of Chairman and Managing Director with effect from February 01, 2026.

(4)Shri Sreejith K Narayanan, Director (Operations) retired on superannuation from the services of the Company on May 31, 2025.

(5)The Appointments Committee of the Cabinet (ACC), vide Letter No.01/03/2025-EO(ACC) dated August 21, 2025 appointed Dr. Harikrishnan S, former Executive Director (Ship Building) as the Director (Operations) of the Company. Dr. Harikrishnan S assumed charge as Director (Operations) on August 27, 2025.

(6)The Appointments Committee of the Cabinet (ACC), vide Letter No.01/04/2025-EO(ACC) dated August 21, 2025 appointed Shri Rajesh Gopalakrishnan, former Executive Director (Ship Repair) as the Director (Technical) of the Company. Shri Rajesh Gopalakrishnan assumed charge as Director (Technical) on August 27, 2025.

(7)The Ministry of Ports, Shipping and Waterways (MoPSW), Government of India (GoI), vide Letter No. SY-11012/1/2017-CSL dated August 07, 2025, appointed Shri Venkatesapathy S IAS, Joint Secretary, MoPSW, GoI, as Part-time Official (Nominee) Director of the Company in place of Shri Rajesh Kumar Sinha IAS (Retd.).

(8)Shri Biju Prabhakar IAS (Retd.) vacated the office as Part-time Official (Nominee) Director of the Company on May 31, 2025 pursuant to Section 167(1)(b) of the Companies Act, 2013.

(9)The Ministry of Ports, Shipping and Waterways, Government of India, vide Letter No. SY-11012/1/2017-CSL dated June 20, 2025, appointed Shri P B Nooh IAS, Special Secretary, Transport Department, Government of Kerala, as Part-time Official (Nominee) Director of the Company in place of Shri Biju Prabhakar IAS (Retd.).

(10) The Ministry of Ports, Shipping and Waterways, Government of India, vide Letter no. SY-11012/1/2016-CSL dated May 20, 2025, appointed Dr. Seema Suri as a Non-official (Independent) Director of the Company with effect from May 21, 2025.

3. The profile of the Directors, including the nature of their expertise in specific functional areas, who are holding the Director post as on the date of this report is given in the first part of the Annual Report. The details of directorships and committee positions held by the Directors are provided under the heading 'Other Directorships and Committee positions' below.

4. Disclosure of relationship between Directors inter-se: Nil

5. None of the Directors of the Company served as members in more than ten committees or as chairpersons in more than five committees across all listed companies in which they hold directorships. None of the Directors of the Company held directorships in more than seven listed companies. Further, the Whole Time Directors, including the Chairman and Managing Director, did not hold directorships in any other listed companies. Also, none of the Independent Directors of the Company served as a Whole Time Director/ Managing Director in any listed company during their tenure as Independent Directors of the Company.

6. The Companies Act, 2013 read with relevant Rules made thereunder, facilitates the participation of the Director in the Board/ Committee meetings through electronic mode. During the year under review, the Company has made the necessary arrangements for the Directors to attend the meetings through electronic mode and the Directors have made use of the said facility wherever required.

7. The meetings of the Board of Directors and Committees have been conducted in the manner as specified in SEBI LODR Regulations and the Companies Act, 2013.

Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

8. Six Board Meetings were held during the year under review. Details of attendance of Directors at the Board Meetings and AGM are given below:

Name of Director	Board Meetings						AGM#
	2025				2026		2025
	May 15	Aug 12	Sep 02	Nov 12	Jan 28	Mar 27	Sep 29
Shri Madhu Sankunny Nair	✓	✓	✓	✓*	✓	N.A.	✓
Shri Bejoy Bhasker	✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Jose V J	✓	✓	✓	✓	✓	✓	✓
Shri Sreejith K Narayanan	✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Dr. Harikrishnan S	N.A.	N.A.	✓	✓	✓	✓	✓
Shri Rajesh Gopalakrishnan	N.A.	N.A.	✓	✓	✓	✓	✓
Shri Rajesh Kumar Sinha IAS (Retd.)	✓*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Biju Prabhakar IAS (Retd.)	⊗	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Venkatesapathy S IAS	N.A.	✓*	✓*	✓*	⊗	⊗	✓*
Shri P B Nooh IAS	N.A.	⊗	⊗	⊗	⊗	⊗	⊗
Dr. Seema Suri	N.A.	✓	✓	✓	✓	✓	✓

*attended through electronic mode.

#AGM held through electronic mode.

N.A. – Not Applicable. ✓ – Present. ⊗ – Leave of Absence

Other Directorships and Committee positions

9. The total number of other Directorship(s) held by Directors and other positions of Membership/ Chairmanship of Committees, as on March 31, 2026, unless otherwise stated, are given below:

Name of the Director	No. of Directorship in other public limited companies		Board Committee positions held in other public limited companies		Name of other Listed Entity where the person is a Director	Category of Directorship in the Listed Entity
	Chairman	Member	Chairman	Member		
Shri Madhu Sankunny Nair (As on the tenure end date of January 31, 2026)	2	2	-	-	-	-
Shri Bejoy Bhasker (As on the tenure end date of May 31, 2025)	-	2	-	-	-	-
Shri Jose V J	2	2	-	-	-	-
Shri Sreejith K Narayanan (As on the tenure end date of May 31, 2025)	-	2	-	-	-	-
Dr. Harikrishnan S	-	2	-	-	-	-
Shri Rajesh Gopalakrishnan	-	2	-	-	-	-
Shri Rajesh Kumar Sinha IAS (Retd.) (As on the tenure end date of August 07, 2025)	-	3	-	-	Shipping Corporation of India Limited	Nominee Director
Shri Venkatesapathy S IAS	-	1	-	-	Shipping Corporation of India Land and Assets Limited	Nominee Director
Shri Biju Prabhakar IAS (Retd.) (As on the tenure end date of May 31, 2025)	1	8	-	1	-	-
Shri P B Nooh IAS	-	3	-	-	-	-
Dr. Seema Suri	-	-	-	-	-	-

Notes

(i) The Directorships held by the Directors as mentioned above does not include Alternate Directorships, Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

(ii) Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies and government companies have been considered.

10. None of the Directors except the following hold any shares in the Company as on March 31, 2026.

Name of the Director	No. of Equity Shares Held
Dr. Harikrishnan S	240
Shri Rajesh Gopalakrishnan	400

Skills/ expertise/ competence of the Board

11. CSL being a Government Company, all of its Directors are appointed/ re-appointed by the President of India through the Administrative Ministry. The skills/ expertise/ competency of the Board as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of Directors on the Board of the Company is made by the Government. As such, all the Board Members of the Company have expertise and competency as per the industry requirement.

Independent Directors

12. CSL had six Independent Directors, including a Woman Director, in compliance with Regulation 17 of the SEBI LODR Regulations till May 01, 2024. However, Shri Prithiviraj Harichandan (DIN: 01351097) ceased to be a Non-official (Independent) Director of the Company w.e.f. May 02, 2024, consequent to his resignation on account of him contesting for the Odisha Legislative Assembly. Further, the remaining five Independent Directors vacated their office on November 21, 2024, consequent to the completion of their tenure of appointment prescribed by the Government of India. CSL being a Central Public Sector Enterprise, the power to appoint Directors on the Board of the Company vests with the Government of India.

13. The Ministry of Ports, Shipping and Waterways, Government of India, vide Letter No. SY-11012/1/2016-CSL dated May 20, 2025, appointed Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL for a period of three years with effect from May 21, 2025 or until further orders, whichever is earlier. The appointment of the remaining five Independent Directors is awaited from the Government of India and constant follow-ups are being made for the same.

14. Being a Central Public Sector Enterprise, the Independent Directors of the Company are appointed by the Ministry of Ports, Shipping and Waterways, Government of India, initially for a term of three years or until further orders whichever is earlier. The main terms of appointment can be accessed at https://cochinshipyard.in/board-of-directors/independent.

15. Familiarisation programme for Independent Directors generally form part of the Board process. The Independent Directors are updated on an ongoing basis at the Board/Committee meetings, inter alia, on the following:

    - Nature of industry in which the Company operates;
    - Business environment and operational model of various business divisions of the Company including important developments thereon; and
    - Important changes in regulatory framework having impact on the Company.

16. Details of the familiarisation programme for Independent Directors can be accessed at https://cochinshipyard.in/board-of-directors/independent.

17. In the opinion of the Board, Dr. Seema Suri, Non-official (Independent) Director has fulfilled the conditions specified in the SEBI LODR Regulations and was independent of the management.

Meetings of Independent Directors

18. No meetings of the Independent Directors could be held during the financial year 2025–26, as there was only one Independent Director on the Board of CSL.

Availability of information to the members of the Board

19. The Board has complete access to any information within the Company and to any employee of the Company. The Board welcomes the presence of executives in the Board meetings, who can provide additional insights into the issues being discussed in the meeting. The information normally required to be placed before the Board includes the following:

    (i) To make calls on shareholders in respect of money unpaid on shares;

    (ii) To authorise buy-back of securities;

    (iii) To issue securities including debentures, in India or abroad;

    (iv) To borrow monies;

    (v) To invest funds of the Company;

    (vi) To grant loans or give guarantee or provide security in respect of loans;

    (vii) To approve financial statement and Board's Report;

    (viii) To diversify the business of the Company;

    (ix) To approve amalgamation, merger or reconstruction;

    (x) To take over a company or acquire a controlling interest or substantial stake in another company;

    (xi) To appoint or remove Key Managerial Personnel (KMP);

    (xii) To appoint internal auditor and secretarial auditor;

    (xiii) General notices of interest of Directors;

    (xiv) Terms of reference of Board Committees;

    (xv) Minutes of meetings of Audit Committee and other Committees of the Board, resolutions passed by circulation and also the minutes of Board meetings of subsidiary companies;

    (xvi) Annual operating plans of businesses, capital budgets and any updates;

    (xvii) Quarterly results of the Company and its operating divisions or business segments;

(xviii) Declaration of dividend;

(xix) Sale of investments, subsidiaries and assets which are material in nature and not in normal course of business;

(xx) Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;

(xxi) Internal audit findings and external audit reports (through the Audit Committee);

(xxii) Status of business risk exposures, its management and related action plans;

(xxiii) Details of any joint venture or collaboration agreement;

(xxiv) Show cause, demand, prosecution notices and penalty notices which are materially important;

(xxv) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;

(xxvi) All policy matters deliberated and introduced for implementation;

(xxvii) Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;

(xxviii) Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;

(xxix) The information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary;

(xxx) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.;

(xxxi) Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like implementation of Voluntary Retirement Scheme (VRS) etc.; and

(xxxii) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.

Board material distributed in advance

20. Notice of each Board meeting and Committee meeting is sent to all the members not less than seven days in advance except when it is convened as an emergency meeting. The agenda notes for each Board/ Committee meeting are drafted in consultation with the Chairman and are circulated to the Directors not less than seven days in advance except when it is convened as emergency meeting with the concurrence of all Board/ Committee members. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to the subject in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted with the consent of all Directors present at the meeting.

21. CSL has digitised its Board and Committee meetings through the implementation of the Board Management Software, Dess Digital Meetings, which enables the secure creation, distribution and management of meeting documents in digital format. The software ensures timely and secure access to agenda papers and other meeting materials for Board and Committee members. It also streamlines the entire meeting lifecycle, resulting in improved efficiency, enhanced governance and savings in time, effort and cost.

Recording Minutes of proceedings at Board and Committee meeting

22. The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/ Committee for their comments within fifteen days from the conclusion of the meeting. The final minutes are entered in the minutes book within 30 days from the conclusion of the meeting.

Post Meeting Follow up Mechanism

23. The important decisions taken at the Board/ Committee meetings are promptly communicated to the departments/ divisions concerned. The status of implementation of major decisions are apprised to the Board/ Committee in the ensuing meetings, wherever required.

Compliance

24. The Company Secretary while preparing the agenda notes, minutes etc. of the meeting(s) is responsible for and is

required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the Rules issued thereunder and also the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Government of India.

Board Committees

25. During the financial year 2025-26, the Board of CSL had three statutory committees viz., Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee, Stakeholders Relationship Committee and Risk Management Committee. The Audit Committee and Nomination and Remuneration Committee could not be reconstituted due to non-appointment of sufficient number of Independent Directors by the Government of India.

Audit Committee

26. The Audit Committee of CSL was formed on August 21, 2008. Since then the Committee has been reconstituted several times on account of change in Directors and the latest reconstitution was on May 02, 2024. As all the Independent Directors vacated their office with effect from November 22, 2024 on completion of tenure of their appointment prescribed by the Government of India, CSL could not reconstitute the Audit Committee with effect from November 22, 2024.

Terms of reference

27. The following are the terms of reference of the Audit Committee:

    (i) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

    (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of our Company based on the order of Comptroller & Auditor General of India;

    (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

    (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

        (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

        (b) Changes, if any, in accounting policies and practices and reasons for the same;

        (c) Major accounting entries involving estimates based on the exercise of judgment by management;

        (d) Significant adjustments made in the financial statements arising out of audit findings;

        (e) Compliance with listing and other legal requirements relating to financial statements;

        (f) Disclosure of any related party transactions; and

        (g) Modified opinion(s) in the draft audit report.

    (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

    (vi) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

    (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

    (viii) Approval or any subsequent modification of transactions of our Company with related parties;

    (ix) Scrutiny of inter-corporate loans and investments;

    (x) Valuation of undertakings or assets of our Company, wherever it is necessary;

    (xi) Evaluation of internal financial controls and risk management systems;

    (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

    (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up there on;

(xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) To review the functioning of the whistle blower mechanism;

(xix) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

(c) Management letters/ letters of internal control weaknesses issued by the statutory auditors;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

(f) Statement of deviations:

(i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;

(ii) Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

(xxi) To review the follow up action on the audit observations of the C&AG audit;

(xxii) Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors;

(xxiii) Audit Committee shall also review the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

(xxiv) Review of compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, at least once in a financial year;

(xxv) Verify that the systems for internal control required to be maintained pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended are adequate and are operating effectively; and

(xxvi) Carrying out any other function as specified by the Board from time to time.

Powers of the Audit Committee

28. The Committee is entrusted with the following powers:

(a) To investigate any activity within its terms of reference;

(b) To seek information on and from any employee;

(c) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors; and

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

29. The recommendations of the Audit Committee on any matter relating to the financial management, including the audit report, shall be binding on the Board.

30. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the shareholders.

Constitution

31. Consequent to the vacation of office of all the Independent Directors with effect from November 22, 2024, upon completion of their tenure as prescribed by the Government of India and due to the non-appointment of sufficient number of Independent Directors by the Government of India, the Company could not reconstitute the Audit Committee with effect from November 22, 2024. Accordingly, during the financial year 2025–26, there was no functional Audit Committee.

32. Audit Committee meetings are generally attended by Director (Finance), representatives of Secretarial Auditors, Statutory Auditors and Internal Auditors of the Company as invitees. The Internal audit function has been outsourced to a firm of Chartered Accountants. The Company Secretary acts as the Secretary to the Committee. However, no meetings of the Audit Committee were held during the financial year 2025–26 as there was no functional Audit Committee.

Audit Committee meetings held during 2025-26 and attendance

33. No meetings of the Audit Committee were held during the financial year 2025–26 as there was no functional Audit Committee due to non-appointment of sufficient number of Independent Directors by the Government of India.

Nomination and Remuneration Committee

34. The Nomination and Remuneration Committee of CSL was constituted vide Circular Resolution adopted on December 13, 2008. Since then the Committee has been reconstituted several times on account of change in Directors and the latest reconstitution was on January 02, 2023. As all the Independent Directors vacated their office with effect from November 22, 2024 on completion of tenure of their appointment prescribed by the Government of India, CSL could not reconstitute the Nomination and Remuneration Committee with effect from November 22, 2024.

Terms of reference

35. Following are the terms of reference of the Nomination and Remuneration Committee:

    (i) Decide on the annual bonus/ performance pay/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors of our Company;

    (ii) Formulation and modification of schemes for providing perks and allowances for officers and non-unionised supervisors;

    (iii) Any new scheme of compensation like medical scheme, pension etc. to officers, non-unionised supervisors and the employees as the case may be; and

    (iv) Exercising such other roles assigned to it by the provisions of the SEBI Listing Regulations and any other laws and their amendments from time to time.

Constitution

36. Consequent to the vacation of office of all the Independent Directors with effect from November 22, 2024, upon completion of their tenure as prescribed by the Government of India and due to the non-appointment of sufficient number of Independent Directors by the Government of India, the Company could not reconstitute the Nomination and Remuneration Committee with effect from November 22, 2024. Accordingly, during the financial year 2025–26, there was no functional Nomination and Remuneration Committee.

Nomination and Remuneration Committee meetings held during 2025-26 and attendance

37. No meetings of the Nomination and Remuneration Committee were held during the financial year 2025–26 as there was no functional Nomination and Remuneration Committee due to non-appointment of sufficient number of Independent Directors by the Government of India.

Remuneration Policy

38. Under Article 21(a) of the Articles of Association of the Company, the Directors shall be paid such remuneration as the President of India may from time to time determine. The pay and allowances of Board level executives are paid in accordance with the terms of appointment, Department of Public Enterprises (DPE) Guidelines on the above subject and other benefits and perquisites in accordance with the rules of CSL. The remuneration of below Board level executives and non-unionised supervisors is as per DPE guidelines and as approved by the Administrative Ministry (Ministry of Ports, Shipping and Waterways). The remuneration of workers is as per the Long-Term Settlement between the management and recognised trade unions.

39. Details of remuneration paid to the Whole Time Directors during 2025-26 is given below:

(₹ Lakhs)

Sl. No.	Name and Designation	Total of Basic Pay, DA, HRA and other Perks & Allowances	Performance Related Payment (PRP)	Total
1.	Shri Madhu Sankunny Nair Chairman & Managing Director (up to January 31, 2026)	98.15	28.15	126.30
2.	Shri Bejoy Bhasker Director (Technical) (up to May 31, 2025)	37.84	23.36	61.20
3.	Shri Jose V J Director (Finance) & CMD (Addl. Charge, w.e.f February 01, 2026)	57.44	21.40	78.84
4.	Shri Sreejith K Narayanan Director (Operations) (up to May 31, 2025)	34.69	22.68	57.37
5.	Dr. Harkrishnan S Director (Operations) (w.e.f August 27, 2025)	48.43	15.39	63.82
6.	Shri Rajesh Gopalakrishnan Director (Technical) (w.e.f August 27, 2025)	48.96	16.26	65.22

Notes

(i) The PRP mentioned in the above table pertains to the period 2023-24, paid during 2025-26. The PRP paid to the Whole Time Directors is as per the Performance Payment Scheme applicable to all executives and non-unionised supervisors of the Company, framed in line with the DPE Guidelines.

(ii) The remuneration of the Directors whose term has ended during the financial year includes the retirement benefits paid to them. Further, the remuneration of the Directors who were appointed during the financial year includes the remuneration paid to them during the year in their executive capacities with the Company prior to their appointment as Directors.

(iii) The remuneration, tenure and other terms and conditions of appointment of Whole Time Directors are as per the letter issued by the Administrative Ministry (Ministry of Ports, Shipping and Waterways) in line with the Government guidelines. The Whole Time Directors are appointed for a period of 5 years with effect from the date of assumption of charge of the post or till the date of superannuation or until further orders whichever event occurs the earliest. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice period, 3 months' pay may be remitted.

(iv) During the year, no Stock Options were issued by the Company to Whole Time Directors.

Sitting fees

40. The Non-official (Independent) Directors are paid sitting fees at the rate of ₹30,000 for attending each meeting of the Board or Committee thereof. The Part-time Official Directors (Government Nominees) are not paid any remuneration. The criteria for making payment to Non-Executive Directors is available in the Company's website at the following link: https://cochinshipyard.in/board-of-directors/independent.

41. Sitting fees of ₹3.60 Lakhs have been paid to Dr. Seema Suri, Non-official (Independent) Director during 2025-26.

42. Since the Non-official (Independent) Directors are appointed by the President of India, the evaluation of performance of such Directors are also done by the Government of India. However, during the year the Board had evaluated the Non-official (Independent) Director of the Company vis-à-vis her performance and fulfilment of the independence criteria and found the same to be satisfactory.

Stakeholders' Relationship Committee

43. The Stakeholders' Relationship Committee of CSL was constituted on September 20, 2016. Since then the Committee has been reconstituted several times on account of change in Directors. The Stakeholders' Relationship Committee of CSL ceased to exist with effect from November 22, 2024 due to the completion of tenure of the Independent Directors and the subsequent non-appointment of new incumbents by the Government of

India. The Stakeholders' Relationship Committee was reconstituted with effect from June 01, 2025 following the appointment of Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL on May 21, 2025. Further, consequent to the retirement of Shri Madhu Sankunny Nair, Chairman and Managing Director, on superannuation from services of the Company on January 31, 2026, the Stakeholder's Relationship Committee was reconstituted with effect from February 01, 2026.

Terms of reference

44. Following are the terms of reference of the Stakeholders' Relationship Committee:

    (i) Resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;

    (ii) Review of measures taken for effective exercise of voting rights by shareholders;

    (iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent; and

    (iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.

Constitution

45. During the financial year 2025-26, there was no functional Stakeholders' Relationship Committee from the start of the reporting period till May 31, 2025 due to non-appointment of Independent Directors by the Government of India. Following the appointment of Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL on May 21, 2025, the Stakeholders' Relationship Committee was reconstituted with effect from June 01, 2025 with Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Chairperson, Shri Madhu Sankunny Nair (DIN: 07376798), Chairman and Managing Director and Shri Jose V J (DIN: 08444440), Director (Finance) as Members. Consequent to the retirement of Shri Madhu Sankunny Nair, Chairman and Managing Director (CMD), on superannuation from services of the Company on January 31, 2026, the Stakeholders' Relationship Committee was reconstituted with effect from February 01, 2026 with Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Chairperson, Shri Jose V J (DIN: 08444440), Director (Finance) & CMD (Addl. Charge), Dr. Harikrishnan S, (DIN: 10221559), Director (Operations) and Shri Rajesh Gopalakrishnan (DIN: 09576336), Director (Technical), as Members. The composition of the Stakeholders' Relationship Committee remained the same as on March 31, 2026.

Stakeholders' Relationship Committee meetings held during 2025-26 and attendance

46. One meeting of the Stakeholders' Relationship Committee was held during 2025-26. The necessary quorum was present at this meeting. The attendance during this meeting was as follows:

Sl. No.	Name of the Member	Aug 12, 2025
1.	Dr. Seema Suri	✓
2.	Shri Madhu Sankunny Nair	✓
3.	Shri Jose V J	✓
4.	Dr. Harikrishnan S	N.A.
5.	Shri Rajesh Gopalakrishnan	N.A.

N.A. – Not Applicable. ✓ – Present.

Name, designation and address of the Compliance Officer

Shri Syamkamal N
Company Secretary & Compliance Officer
Cochin Shipyard Limited
Administrative Building, Cochin Shipyard Premises
Perumanoor, Ernakulam, Kerala – 682015
Tel: +91 (484) 2501306
Email: secretary@cochinshipyard.in
Website: www.cochinshipyard.in

Status of Investor Complaints as on March 31, 2026 reported under Regulation 13(3) of the SEBI LODR Regulations

Complaints as on April 01, 2025	0
Received during the financial year 2025-26	23
Resolved during the financial year 2025-26	23
Not solved to the satisfaction of shareholders	0
Pending as on March 31, 2026	0

Risk Management Committee

47. The Risk Management Committee of CSL was constituted in line with the SEBI LODR Regulations on February 08, 2019. Since then the Committee has been reconstituted a few times on account of change in Directors. Prior to the constitution of the Committee, the risks had been periodically reviewed by the Board and the Audit Committee. The Risk Management Committee of CSL ceased to exist with effect from November 22, 2024 due to the completion of tenure of the Independent Directors and the subsequent non-appointment of new incumbents by the Government of India. The Risk Management Committee was reconstituted with effect from June 01, 2025 following the appointment of Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL on May 21, 2025. Further, consequent to the retirement of Shri Madhu Sankunny Nair, Chairman and Managing Director, on superannuation from services of the Company on January 31, 2026, the Risk Management Committee was reconstituted with effect from February 01, 2026.

Terms of reference

48. Following are the terms of reference of Risk Management Committee:
    - (i) Monitoring and reviewing of the risk management plans including steps taken for ensuring cyber security;
    - (ii) Ensure required risk documentation is done on quarterly basis;
    - (iii) Provide updates and seek approval from Board of Directors on risk management;
    - (iv) Such other functions as may be specified by the Board from time to time; and
    - (v) Exercising such other roles assigned to it by the provisions of the SEBI Listing Regulations and any other laws and their amendments from time to time.

Constitution

49. During the financial year 2025-26, there was no functional Risk Management Committee from the start of the reporting period till May 31, 2025 due to non-appointment of Independent Directors by the Government of India. Following the appointment of Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL on May 21, 2025, the Risk Management Committee was reconstituted with effect from June 01, 2025 with Shri Madhu Sankunny Nair (DIN: 07376798), Chairman and Managing Director as Chairperson, Shri Jose V J (DIN: 08444440), Director (Finance) and Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Members. Consequent to the retirement of Shri Madhu Sankunny Nair, Chairman and Managing Director (CMD), on superannuation from services of the Company on January 31, 2026, the Risk Management Committee was reconstituted with effect from February 01, 2026 with Shri Jose V J (DIN: 08444440), Director (Finance) & CMD (Addl. Charge) as Chairperson, Dr. Harikrishnan S, (DIN: 10221559), Director (Operations), Shri Rajesh Gopalakrishnan (DIN: 09576336), Director (Technical) and Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Members. The composition of the Risk Management Committee remained the same as on March 31, 2026.

Risk Management Committee meetings held during 2025-26 and attendance

50. Two meetings of the Risk Management Committee were held during 2025-26. The attendance during these meetings were as follows:

Sl. No.	Name of the Member	Sep 29, 2025	Mar 27, 2026
1.	Shri Madhu Sankunny Nair	✓	N.A.
2.	Shri Jose V J	✓	✓
3.	Dr. Harikrishnan S	N.A.	✓
4.	Shri Rajesh Gopalakrishnan	N.A.	✓
5.	Dr. Seema Suri	✓	✓

N.A. – Not Applicable. ✓ – Present.

Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee

51. A sub-committee of the Board was constituted vide resolution no. 181/09 at the 181st meeting of the Board held on September 05, 2008 to decide on the matters relating to Corporate Social Responsibility in CPSEs.

52. The Sustainable Development Committee was constituted at the 197th Board Meeting held on November 23, 2011. The DPE vide OM No.3(9)/2010-DPE(MoU) dated September 23, 2011 has issued detailed guidelines on sustainable development in CPSEs.

53. Company decided to merge the Corporate Social Responsibility Committee and Sustainable Development Committee to decide the matters relating to CSR activities in line with the guidelines laid down under Schedule VII of the Companies Act, 2013. Accordingly, the aforesaid two committees were merged into Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee pursuant to the circular resolution dated March 08, 2013. Since then the Committee has been reconstituted

several times on account of change in Directors. The CSR & SD Committee of CSL ceased to exist with effect from November 22, 2024 due to the completion of tenure of the Independent Directors and the subsequent non-appointment of new incumbents by the Government of India. The CSR & SD Committee was reconstituted with effect from June 01, 2025 following the appointment of Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL on May 21, 2025. Further, consequent to the retirement of Shri Madhu Sankunny Nair, Chairman and Managing Director, on superannuation from services of the Company on January 31, 2026, the CSR & SD Committee was reconstituted with effect from February 01, 2026.

Terms of reference

54. The following are the terms of reference of the CSR & SD Committee:

    (i) Recommend CSR and sustainability development policy to the Board;

    (ii) Recommend plan of action and projects to be initiated in the short, medium and long term for CSR and sustainability development;

    (iii) To recommend the annual CSR and sustainability development plan and budget; and

    (iv) Periodic review of CSR and sustainability development policy, plans and budgets.

Constitution

55. During the financial year 2025-26, there was no functional CSR & SD Committee from the start of the reporting period till May 31, 2025 due to non-appointment of Independent Directors by the Government of India. Following the appointment of Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL on May 21, 2025, the CSR & SD Committee was reconstituted with effect from June 01, 2025 with Shri Madhu Sankunny Nair (DIN: 07376798), Chairman and Managing Director as Chairperson, Shri Jose V J (DIN: 08444440), Director (Finance) and Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Members. Consequent to the retirement of Shri Madhu Sankunny Nair, Chairman and Managing Director (CMD), on superannuation from services of the Company on January 31, 2026, the CSR & SD Committee was reconstituted with effect from February 01, 2026 with Shri Jose V J (DIN: 08444440), Director (Finance) & CMD (Addl. Charge) as Chairperson, Dr. Harikrishnan S, (DIN: 10221559), Director (Operations), Shri Rajesh Gopalakrishnan (DIN: 09576336), Director (Technical) and Dr. Seema Suri (DIN: 11117145), Non-official (Independent) Director as Members. The composition of the CSR & SD Committee remained the same as on March 31, 2026.

CSR & SD Committee meetings held during 2025-26 and attendance

56. Three meetings of the CSR & SD Committee were held during the year 2025-26. The necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Sl. No.	Name of the Member	2025		2026
		Aug 12	Nov 11	Jan 28
1.	Shri Madhu Sankunny Nair	✓	✓	✓
2.	Shri Jose V J	✓	✓	✓
3.	Dr. Harikrishnan S	N.A.	N.A.	N.A.
4.	Shri Rajesh Gopalakrishnan	N.A.	N.A.	N.A.
5.	Dr. Seema Suri	✓	✓	✓

N.A. – Not Applicable. ✓ – Present.

General Body Meetings

57. The date, time and venue of the last three Annual General Meetings are given below:

Year	Date	Time	Venue	Special resolution passed
2024-25	Sep 29, 2025	11.00 hrs.	Not Applicable since the meeting was held through electronic mode	1
2023-24	Sep 30, 2024	11:00 hrs.	Not Applicable since the meeting was held through electronic mode	Nil
2022-23	Sep 28, 2023	11:00 hrs.	Not Applicable since the meeting was held through electronic mode	Nil

Postal Ballot

58. During the financial year 2025-26, no resolution was put through by postal ballot.

59. None of the business proposed to be transacted in the ensuing AGM requires the passing of a special resolution by way of postal ballot.

60. Further, there is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance with the applicable statutory provisions.

Particulars of Senior Management Personnel

61. CSL has categorised the executives of the Company in the rank of General Managers and above, Unit heads, head of Internal Audit and the Company Secretary as the Senior Management personnel as required under Regulation 16(1)(d) of the SEBI Listing Regulations. The particulars of Senior Management personnel during the financial year ended March 31, 2026 are as follows:

Sl. No.	Name	Designation
1.	Shri Eldho John	ED (Technical)
2.	Shri Shiraz Villantekathu Puthiyapurayil	ED (Ship Building)
3.	Shri Deepu Surendran	CGM (C-SAS, BD-SB & BD)
4.	Smt. Anjana K R	CGM (Design & Materials)
5.	Shri Sivakumar Ayyaru	CGM (Ship Repair)
6.	Shri Shibu John	CGM (Finance)
7.	Shri Sunil Kumar K R	GM (ESG & HSE)
8.	Shri Jayan K Thampi	GM (Ship Building)
9.	Shri Subash A K	GM (HR & LD)
10.	Shri Santhosh Philip	GM (Training)
11.	Shri Harikumar K	GM (Strategy & New Initiatives)
12.	Shri Sreekumar Raja C A	GM (Technical)
13.	Shri A Vettriselvan	GM (Materials)
14.	Shri Nagesh Krishnamoorthy	GM (BD-SB)
15.	Shri Sanil Peter	GM (Ship Repair)
16.	Shri Jathesh Chandra Gopinathan	GM (Basic Design)
17.	Shri Suresh Babu V	GM (IAC & DP)
18.	Shri Anoop Das	GM (Planning, I&QC & PD(SH40-45))
19.	Shri Binoj Shankar	GM (Design)
20.	Smt. Mary Ranjit Abraham	DGM (Internal Audit) – Head of Internal Audit
21.	Shri Shyamkumar G	DGM (CMSRU) – Unit Head
22.	Shri Sreekanth Veerappan	DGM (CANSRU) – Unit Head
23.	Shri Rajesh K R	AGM (CKSRU) – Unit Head
24.	Shri Syamkamal N	Company Secretary

62. During the financial year 2025-26, the following changes took place in the Senior Management personnel, the details of which are stated below:

Sl. No.	Name	Remarks
(i)	Dr. Harikrishnan S	Ceased to be senior management personnel upon appointment as Director (Operations) on August 27, 2025.
(ii)	Shri Rajesh Gopalakrishnan	Ceased to be senior management personnel upon appointment as Director (Technical) on August 27, 2025.
(iii)	Shri Sivaram Narayana Swamy	Ceased to be senior management personnel upon resignation from the services of the Company on October 18, 2025.

Sl. No.	Name	Remarks
(iv)	Shri Sreekumar Raja C A	Inducted into senior management personnel category on September 15, 2025 consequent to the promotion to General Manager (GM) cadre.
(v)	Shri A Vettriselvan	
(vi)	Shri Nagesh Krishnamoorthy	
(vii)	Shri Jathesh Chandra Gopinathan	
(viii)	Shri Suresh Babu V	
(ix)	Shri Anoop Das	
(x)	Shri Binoj Shankar	
(xi)	Shri Rajesh K R	Inducted into senior management personnel category on October 01, 2025 consequent to the appointment as Unit Head of CKSRU.

Means of Communication

63. All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submission to the Exchanges is made through the respective electronic filing systems.

64. The financial results for the quarter/ half-year/ year were published as under:

Quarter/ half-year/ year	In the month of
Quarter ending June 30, 2025	August, 2025
Quarter/ half-year ending September 30, 2025	November, 2025
Quarter ending December 31, 2025	January, 2026
Year ending March 31, 2026	May, 2026

65. Quarterly/ half-yearly/ annual results, notices and information relating to General Meetings etc. are published in leading newspapers viz., Business Line (all editions), Mathrubhumi (Kochi edition) and Jansatta (all editions) and are notified to the Stock Exchanges as required under the SEBI LODR Regulations.

66. The quarterly/ half-yearly/ annual financial results and other communication to shareholders and Stock Exchanges, inter alia including presentations to institutional investors and analysts, press releases etc., are made available in the Company's website www.cochinshipyard.in under 'INVESTORS' section. They are also filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE online portal.

General Shareholder Information

67. Annual General Meeting for FY 2026

Date	Time	Venue
September 29, 2026	11:00 hrs.	Not Applicable since the meeting is being held through electronic mode

68. Financial Year: April 01, 2025 to March 31, 2026.

Dividend Payment

69. The final dividend for the year ended March 31, 2026, if approved at the AGM, will be paid, subject to deduction of tax at source, on or before October 28, 2026. The Company will be making the dividend payment by electronic mode in compliance with applicable provisions of SEBI LODR Regulations and other applicable laws.

70. The particulars of total dividend declared in the previous three financial years are given below:

(₹)

Financial Year	Final Dividend per Equity Share		Interim Dividend per Equity Share			
			01st		02nd	
	Amount	Face Value	Amount	Face Value	Amount	Face Value
2025-26	1.50	5	4.00	5	3.50	5
2024-25	2.25	5	4.00	5	3.50	5
2023-24	2.25	5	8.00	10	3.50	5

Unclaimed Dividend and Shares – Transfer to Investor Education and Protection Fund (IEPF)

71. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend which remains unpaid/ unclaimed for a period of seven years from the date of transfer to unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF), a Fund constituted by the Central Government under Section 125 of the Companies Act, 2013. Further, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred in the name of IEPF.

72. The Company sends reminder letters to the shareholders, advising them to lodge their claim for unpaid dividend. In line with the IEPF Rules, the Company also communicates to such shareholders whose dividends remain unpaid/ unclaimed for a consecutive period of seven years, requesting them to claim the same, failing which the corresponding equity shares are liable to be transferred to the demat account of the IEPF Authority.

73. During the reporting period, the unpaid/ unclaimed Final Dividend for the year 2017-18 and the corresponding eligible equity shares became due for transfer to IEPF. Accordingly, the unclaimed dividend of ₹5,97,180 pertaining to the Final Dividend for the year 2017-18, was transferred to the IEPF Authority on October 09, 2025. Further, 2,799 equity shares in respect of which the dividend remained unclaimed for seven consecutive years, were also transferred to the demat account of the IEPF Authority on October 10, 2025.

74. The number of equity shares lying in the demat account of IEPF authority as on March 31, 2026 is 2,799.

75. The unpaid/ unclaimed Final Dividend for the year 2018–19 and 01st Interim Dividend for the year 2019-20, along with the corresponding equity shares is due for transfer to IEPF during the financial year 2026-27. The list of shareholders whose shares/ dividend are due for transfer to IEPF are available in the Company's website at the link https://cochinshipyard.in/investor/investor_titles/58.

76. Please note that the shareholders can claim the dividend/ shares transferred to IEPF by following the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Listing of shares

77. The Company's equity shares are listed at the following Stock Exchanges and the listing fees for the year 2025-26 has been paid to the Stock Exchanges.

    (i) BSE Limited
    Phiroze Jeejeebhoy Tower
    Dalal Street, Mumbai – 400001

    (ii) National Stock Exchange of India Limited
    Exchange Plaza, C-1, Block G
    Bandra Kurla Complex
    Bandra (E)
    Mumbai – 400051

78. The International Securities Identification Number (ISIN) for the Company's shares is INE704P01025.

Details of securities suspended

Not applicable.

Registrar and Transfer Agents (RTA)

MUFG Intime India Private Limited
(formerly known as Link Intime India Private Limited)
"Surya" 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road, Coimbatore
Tamil Nadu – 641028
Tel: +91 (422) 2314792, 4958995
E-mail: investor.helpdesk@in.mpms.mufg.com

Share Transfer System

79. The Company's shares being in the compulsory demat list, are transferable through the depository system.

Distribution of Shareholding

80. Distribution of shareholding based on number of folios as on March 31, 2026.

No. of shares held	Members		Shares	
	No.	%	No.	%
1 – 500	9,98,907	98.71	3,85,78,290	14.66
501 – 1,000	8,134	0.80	59,20,261	2.25
1,001 – 2,000	3,119	0.31	45,14,779	1.72
2,001 – 3,000	734	0.07	18,37,260	0.70
3,001 – 4,000	330	0.03	11,92,680	0.45
4,001 – 5,000	195	0.02	9,00,682	0.34
5,001 – 10,000	262	0.02	18,30,826	0.70
>10,000	232	0.02	20,83,06,002	79.18
Total	**10,11,913**	**100.00**	**26,30,80,780**	**100.00**

Dematerialisation of shares and liquidity

81. The Company's shares are compulsorily traded in dematerialised form and are available on both the depositories viz., NSDL and CDSL.

    Percentage of shares held in

Physical form	:	0.00
Electronic form with NSDL	:	85.15
Electronic form with CDSL	:	14.85

82. The Company's equity shares are regularly traded on the BSE and NSE.

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

None.

Foreign exchange risk and hedging of activities

83. The Company has formulated a Forex Risk Management Policy duly approved by the Board and the forex exposures are being hedged depending upon the market conditions.

84. The Company is also keeping a constant watch on the forex market fluctuations and has been exploring various options of foreign currency borrowings like buyer's credit etc. as part of effective working capital management. Status of the forex exposure and the hedging position is reviewed by the Audit Committee, Risk Management Committee and the Board, wherever applicable.

Plant locations

- CSL Kochi Main Unit – Shipbuilding and Ship Repair facility at Perumanoor P O, Kochi – 682015;
- CSL International Ship Repair Facility (ISRF) at Cochin Port Premises, Willingdon Island, Kochi – 682003;
- CSL Mumbai Ship Repair Unit (CMSRU) at Mumbai Port Premises, Mumbai – 400001;
- CSL Kolkata Ship Repair Unit (CKSRU) at Syama Prasad Mookerjee Port Premises, Kolkata – 700024; and
- CSL Andaman & Nicobar Ship Repair Unit (CANSRU) at Marine Dockyard, Sri Vijaya Puram – 744101.

Address for Correspondence

Company Secretary & Compliance Officer
Cochin Shipyard Limited
Administrative Building, Cochin Shipyard Premises
Perumanoor, Ernakulam, Kerala – 682015
Tel: +91 (484) 2501306
Email: secretary@cochinshipyard.in
Website: www.cochinshipyard.in

Credit Ratings

Instrument	ISIN	Rating	Revisions, if any, during FY 2025-26
8.72% Tax Free Secured Redeemable Non-Convertible Bonds	INE704P07030	AAA by India Ratings and Research (Ind-Ra) and Care Ratings	Nil

Other Disclosures

Related Party Transactions

85. During the year under review, there were no materially significant related party transactions that had or may have conflict with the interest of the Company at large. The Company has a policy for related party transactions, which can be accessed at the link https://cochinshipyard.in/investor/investor_titles/68.

Non-compliance by the Company

86. No penalties/ strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter relating to capital markets during the last three years except the following:

<table>
<tr><th>Year</th><th>Name of Authority</th><th>Nature of non-compliance</th><th>Period of non-compliance</th><th>Amount of fine/ penalty imposed</th><th>Remarks</th></tr>
<tr><td rowspan="6">2024-25</td><td>BSE</td><td>Delay of one working day in intimating the record date fixed in November 2021 for payment of interest on the Company's 8.51% Tax Free, Secured Redeemable Non-Convertible Bonds.</td><td>Quarter ended Dec 31, 2021.</td><td>₹11,800 (incl. GST @18%).</td><td>The Company has paid the fine within the prescribed time.</td></tr>
<tr><td rowspan="5">BSE & NSE</td><td>Non-compliance w.r.t composition of Board of Directors (Regulation 17(1) of the SEBI LODR Regulations – insufficient/ no Independent Directors including a Woman Director).</td><td>Quarters ended Sep 30, 2024, Dec 31, 2024 and Mar 31, 2025.</td><td>₹14,21,900 each (including GST @ 18%).</td><td rowspan="5">CSL, being a CPSE, the power to appoint Directors vests with the Government of India and the Company had forwarded appropriate requests to the Government of India for filling up the vacancies of Independent Directors including a Woman Director. Consequently, the Ministry of Ports, Shipping and Waterways, Government of India, vide Letter No. SY-11012/1/2016-CSL dated May 20, 2025, appointed Dr. Seema Suri as a Non-official (Independent) Director of the Company with effect from May 21, 2025. Following her appointment, the Company reconstituted the Stakeholders Relationship Committee and the Risk Management Committee in line with the SEBI LODR Regulations on June 01, 2025. Since the said non-compliances were neither due to the negligence/ default by the Company nor within the control of the management of the Company, BSE and NSE have waived the fines imposed w.r.t Regulations 17(2A) (quorum of Board meetings), 20 and 21 (constitution of Stakeholders' Relationship Committee and Risk Management Committee) of the SEBI LODR Regulations upon submission of waiver request by the Company.</td></tr>
<tr><td>Non-compliance w.r.t quorum of Board meetings (Regulation 17(2A) of the SEBI LODR Regulations – absence of Independent Director).</td><td>Quarter ended Mar 31, 2025.</td><td>₹23,600 each (including GST @ 18%).</td></tr>
<tr><td>Non-compliance w.r.t constitution of Audit Committee (Regulation 18 of the SEBI LODR Regulations).</td><td>Quarters ended Dec 31, 2024 and Mar 31, 2025.</td><td>₹3,04,440 each (including GST @ 18%).</td></tr>
<tr><td>Non-compliance w.r.t constitution of Nomination and Remuneration Committee (Regulation 19 of the SEBI LODR Regulations).</td><td>Quarters ended Dec 31, 2024 and Mar 31, 2025.</td><td>₹3,04,440 each (including GST @ 18%).</td></tr>
<tr><td>Non-compliance w.r.t constitution of Stakeholders' Relationship Committee (Regulation 20 of the SEBI LODR Regulations).</td><td>Quarters ended Dec 31, 2024 and Mar 31, 2025.</td><td>₹3,04,440 each (including GST @ 18%).</td></tr>
<tr><td>Non-compliance w.r.t constitution of Risk Management Committee (Regulation 21 of the SEBI LODR Regulations).</td><td>Quarters ended Dec 31, 2024 and Mar 31, 2025.</td><td>₹3,04,440 each (including GST @ 18%).</td></tr>
</table>

Year	Name of Authority	Nature of non-compliance	Period of non-compliance	Amount of fine/ penalty imposed	Remarks
2025-26	BSE & NSE	Non-compliance w.r.t composition of Board of Directors (Regulation 17(1) of the SEBI LODR Regulations – insufficient/ no Independent Directors including a Woman Director).	Quarters ended Jun 30, 2025, Sep 30, 2025 and Dec 31, 2025.	₹16,22,500 each (including GST @ 18%).	The appointment of the remaining five Independent Directors is awaited from the Government of India. Since achieving compliance is a pre-requisite for applying for a waiver of fines, appropriate requests for waiver of fines imposed w.r.t Regulations 17(1) (composition of Board), 18 and 19 (constitution of Audit Committee and Nomination and Remuneration Committee) of the SEBI LODR Regulations will be filed with the stock exchanges as per the extant Policy for Exemption of Fines, upon appointment of the remaining Independent Directors by the Government of India. The stock exchanges have in the past waived off the fines in similar situations.
		Non-compliance w.r.t quorum of Board meetings (Regulation 17(2A) of the SEBI LODR Regulations – absence of Independent Director).	Quarter ended Jun 30, 2025.	₹11,800 each (including GST @ 18%).	
		Non-compliance w.r.t constitution of Audit Committee (Regulation 18 of the SEBI LODR Regulations).	Quarters ended Jun 30, 2025, Sep 30, 2025 and Dec 31, 2025.	₹6,49,000 each (including GST @ 18%).	
		Non-compliance w.r.t constitution of Nomination and Remuneration Committee (Regulation 19 of the SEBI LODR Regulations).	Quarters ended Jun 30, 2025, Sep 30, 2025 and Dec 31, 2025.	₹6,49,000 each (including GST @ 18%).	
		Non-compliance w.r.t constitution of Stakeholders' Relationship Committee (Regulation 20 of the SEBI LODR Regulations).	Quarter ended Jun 30, 2025.	₹1,43,960 each (including GST @ 18%).	
		Non-compliance w.r.t constitution of Risk Management Committee (Regulation 21 of the SEBI LODR Regulations).	Quarter ended Jun 30, 2025.	₹1,43,960 each (including GST @ 18%).	

87. As on March 31, 2026, the Board of CSL has only one Independent Director (including Woman Director) as against the statutory requirement of six. CSL had six Independent Directors, including a Woman Director, in compliance with Regulation 17 of the SEBI LODR Regulations till May 01, 2024. However, Shri Prithiviraj Harichandan (DIN: 01351097) ceased to be a Non-official (Independent) Director of the Company w.e.f. May 02, 2024, consequent to his resignation on account of him contesting for the Odisha Legislative Assembly. Further, the remaining five Independent Directors vacated their office on November 21, 2024, consequent to the completion of their tenure of appointment prescribed by the Government of India. CSL being a Central Public Sector Enterprise (CPSE), the power to appoint Directors on the Board of the Company vests with the Government of India. The Ministry of Ports, Shipping and Waterways, Government of India, vide Letter No. SY-11012/1/2016-CSL dated May 20, 2025, appointed Dr. Seema Suri as a Non-official (Independent) Director on the Board of CSL with effect from May 21, 2025. The appointment of the remaining five Independent Directors is awaited from the Government of India and constant follow-ups are being made for the same. The Audit Committee and the Nomination and Remuneration Committee will be reconstituted on appointment of sufficient number of Independent Directors by the Government of India.

Vigil Mechanism and Whistle Blower Policy

88. CSL had adopted a Whistle Blower Policy approved by the Board at its 198th meeting held on February 22, 2012, which was amended at the 228th Board meeting held on December 14, 2016. Further, in line with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, CSL had adopted a Fraud Prevention and Detection Policy at the 214th Board Meeting held on September 16, 2014. Since the larger objective of both policies was similar, CSL adopted a combined policy viz., Whistle Blower and Fraud Prevention Policy at the 252nd Board Meeting held on November 12, 2019. The Whistle Blower and Fraud Prevention Policy was last amended in the 287th Board Meeting held on March 27, 2026. The said policy is available in the website of the Company at https://cochinshipyard.in/investor/investor_titles/68. CSL is a Government of India undertaking and follows Government guidelines on reporting of any illegal or unethical practices. Directors/ employees/ stakeholders/ representative bodies of employees are given freedom to report to their immediate Supervisor/ Chief Vigilance Officer or Chairman and Managing Director, details of any violation of rules, regulations and unethical conduct. The Directors and Senior Management are bound to maintain confidentiality of such reporting and ensure that the whistle blowers are afforded protection against any harassment

and not subjected to any discriminatory practices. During the reporting period, there was no functional Audit Committee due to non-appointment of sufficient number of Independent Directors by the Government of India. However, during the period under report no personnel has been denied access to the Vigil Mechanism of the Company.

Code of Conduct for Prevention of Insider Trading

89. The Company has in place a Code of Conduct for Prevention of Insider Trading in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code of Conduct for Prevention of Insider Trading is hosted on the website of the Company and can be accessed at https://cochinshipyard.in/investor/investor_titles/68.

Mandatory Requirements

90. A comprehensive report on the status of compliance with all the applicable corporate laws, rules and regulations by the Company is placed before the Board on a quarterly basis for their information and review. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations, except with respect to the composition of Board of Directors viz., appointment of requisite number of Independent Directors and consequent compliances related to statutory committees.

Non-Mandatory Requirements

91. The Company has complied with the following non-mandatory requirements of the SEBI LODR Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the SEBI LODR Regulations is as under:

- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit position.

Subsidiary Company

92. Cochin Shipyard Limited (CSL) has only two subsidiary companies viz., Hooghly Cochin Shipyard Limited (Hooghly-CSL) and Udupi Cochin Shipyard Limited (Udupi-CSL). Hooghly-CSL is a wholly owned subsidiary company of Cochin Shipyard Limited (CSL) which was incorporated as a Joint Venture Company on October 23, 2017, venturing with Hooghly Dock & Port Engineers Limited. However, since November 01, 2019, Hooghly-CSL is a wholly owned subsidiary of CSL. Further, CSL acquired Tebma Shipyards Limited through the statutory insolvency resolution process on September 15, 2020, thereby making it a wholly owned subsidiary of CSL. Subsequently, on April 22, 2022, Tebma Shipyards Limited was renamed as Udupi Cochin Shipyard Limited.

93. Regulation 16 of the SEBI LODR Regulations defines a 'material subsidiary' as subsidiary, whose turnover or networth exceeds ten percent of the consolidated turnover or networth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. As per the audited financial figures for the financial year 2025-26, Udupi-CSL has become a material subsidiary of CSL. The Company does not have any other material subsidiary.

94. The details of the Company's material subsidiary as required under the SEBI LODR Regulations is given below:

Name and CIN	Date and Place of Incorporation	Name and Date of appointment of Statutory Auditors for FY26
Udupi Cochin Shipyard Limited CIN: U27209TN1984GOI010994	July 09, 1984 Chennai, Tamil Nadu	K P Kanchan & Co., Chartered Accountants appointed by the C&AG on February 10, 2026

95. As per Regulation 24A(1)(a) of the SEBI LODR Regulations, every listed entity is required to annex the Secretarial Audit Report of its material unlisted subsidiary to its Annual Report. Hence, the Secretarial Audit Report of Udupi-CSL for the financial year ended March 31, 2026, issued by M/s. SVJS & Associates, Practicing Company Secretaries, Kochi is placed at **Annexure IV**. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

96. Pursuant to the explanation under Regulation 16(1)(c) of the SEBI LODR Regulations, the Company has formulated a policy for determining 'material subsidiaries' which is disclosed on the Company's website at https://cochinshipyard.in/investor/investor_titles/68.

Details of compliance with the requirement of Corporate Governance guidelines

97. In terms of SEBI LODR Regulations and DPE Guidelines on Corporate Governance, certificate regarding Compliance of Corporate Governance Guidelines from Practicing Company Secretary is placed at **Annexure I** to this report.

Details of Presidential Directives issued by Central Government and their compliance during the year and also in the last three years

98. The Company has complied with all presidential directives issued by the Central Government regarding the operation of PSUs.

99. Items of expenditure debited in the books of accounts, which are not for the purposes of the business: Nil

100. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management: Nil

101. The administrative and office expenditure of the Company for the year 2025-26 was 2.23% of the total expenditure as against 1.69% in 2024-25. Financial expenditure stood at 2.17% of the total expenditure in 2025-26, against 0.97% in the previous year.

102. A certificate from a Company Secretary in Practice, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority, is placed at **Annexure II** to this report.

103. The Company has paid an amount of ₹32.43 Lakhs to M/s. Babu A Kallivayalil & Co. and M/s. Anand & Ponnappan, Statutory Auditors for the services provided to the Company and its subsidiaries.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

(i)	number of complaints pending as on March 31, 2025	1
(ii)	number of complaints filed during the financial year 2025-26	2
(iii)	number of complaints disposed of during the financial year 2025-26	1
(iv)	number of complaints pending as on March 31, 2026	2

Code of Conduct

104. The Board has prescribed a Code of Conduct for all the Board members and Senior Management of the Company. All Board members and Senior Management personnel have confirmed compliance with the Code of Conduct for the year 2025-26. The Code of Conduct is hosted on the website of the Company and can be accessed at https://cochinshipyard.in/investor/investor_titles/68.

105. A declaration signed by the Director (Finance) & CMD (Addl. Charge) of the Company is given below:

I hereby declare that all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management personnel in respect of the financial year 2025-26.

Jose V J
Director (Finance) & CMD (Addl. Charge)
DIN: 08444440

CEO/ CFO Certification

106. The CEO/ CFO certification of the financial statements for the year is placed at **Annexure III** to this report.

Risk Management Process

107. CSL has put in place a comprehensive Risk Management Policy, approved by the Board of Directors. The salient features of the said policy are as follows:

    (i) Risk Management Vision Statement: Minimise the organisational risks to an acceptable level and adopt risk management practices which would help the Company to attain its goals and objectives while at the same time ensuring minimisation of risks.

    (ii) Risk Management Policy:

        (a) The risk management process is implemented to improve the Company's ability to prevent risks and ensure timely detection of risk;

        (b) To identify risks and its mitigation;

        (c) Risk management process to be standardised; and

        (d) Facilitate sharing of risk information.

108. The Risk Management Policy intends to put in place an effective risk management framework and an appropriate reporting mechanism. The management of Cochin Shipyard would periodically identify the various risks and assess/ analyse their impact on the Company. Risk mitigation and management measures would be put in place to effectively manage these risks. The Board may approve changes to the Policy from time to time in order to align it with the changes in business environment.

Risk Management System and Structure

109. The Board has constituted a Risk Management Committee to review the risk management system within CSL. The Board also discharge its responsibility of risk oversight by ensuring the review at periodical intervals. The CSL management comprising of CSL Board level and below Board level executives are entrusted with the implementation of the risk management process. In this respect, Risk Management Steering Committee and Functional Risk Management Committees have been constituted to implement the Policy in CSL.

110. Due to the peculiar nature of business carried on by CSL, it avoids the risk relating to its commodities.

111. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

(i) Total exposure of the listed entity to commodities in INR: 88.94 Crores.

(ii) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Steel	88.94 Crores	10610.52 Tonnes	-	-	-	-	-

(iii) In order to avoid risk relating to increase in input cost, the Company places order for all major inputs with staggered delivery at the time of signing of shipbuilding contract. The offers are checked with the estimates taken for arriving at the estimated cost. In the case of ship repair, major components are normally supplied to ship owners at cost plus basis as the components are normally of the owner's preference.

Shareholding pattern

112. The Company has 26,30,80,780 equity shares of face value of ₹5 each, details of which as on March 31, 2026 are as follows:

(₹ Lakhs)

Category of shareholders	Number of shareholders	Total number of shares	Percentage (%)
Central Government	1	17,86,71,239	67.9150
Clearing Members	65	1,42,932	0.0543
Other Bodies Corporate	1,378	29,07,991	1.1054
Directors, Key Managerial Personnel and Relatives of Directors	3	641	0.0002
Hindu Undivided Family	9,193	11,89,437	0.4521
Mutual Funds	75	54,34,068	2.0656
Nationalised Banks	1	24,600	0.0094
Non-Nationalised Banks	2	360	0.0001
Non-Resident Indians	7,601	14,53,604	0.5525
Non-Resident (Non Repatriable)	6,682	8,30,702	0.3158
Public	9,86,603	5,36,02,998	20.3751
Trusts	17	10,701	0.0041
Insurance Companies	11	1,04,28,608	3.9640
Body Corporate – Limited Liability Partnership	155	2,13,722	0.0812
Foreign Portfolio Investors (Corporate)	118	81,49,015	3.0975
NBFCs registered with RBI	5	16,991	0.0065
Alternate Investment Funds – III	2	372	0.0001
Investor Education and Protection Fund	1	2,799	0.0011
Total	**10,11,913**	**26,30,80,780**	**100.0000**

Means of Communication

113. The quarterly/ half-yearly/ yearly financial results are posted on the websites of the BSE, NSE and the Company, after consideration and approval by the Board and are also published in one English national daily having all India circulation and at least in one Malayalam national daily, Kochi edition within 48 hours of its approval. These results have also been published in one Hindi national daily having all India circulation. The Annual Report of the Company is posted in the website viz., www.cochinshipyard.in. The website of the Company also displays all official news releases.

Audit Qualifications

114. The Report submitted by M/s. Babu A Kallivayalil & Co., Statutory Auditors of the Company does not contain any qualification, reservation or adverse remark or disclaimer.

Training Board Members

115. The Board members of CSL are senior executives who have a very vast, wide and varied experience in the areas of education, industry, defence, management, human resource management and administration. CSL has benefited from their vision and knowledge. Presentations are made to the Board members on the Company's performance, business model, corporate plan and future outlook, on their induction in the Board. In addition, at the Board/ Committee/ other meetings, detailed presentations are made by the senior management personnel/ professionals/ consultants on business related issues, risk assessment, risk policy etc. The Directors are encouraged to identify and attend specific training programmes to improve their effectiveness. The Board has also adopted a policy regarding training of Directors.

For and on behalf of the Board of Directors

Jose V J
Director (Finance) & CMD (Addl. Charge)
DIN: 08444440

Kochi
May 15, 2026

Annexure I

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members
COCHIN SHIPYARD LIMITED

1. The accompanying Corporate Governance Report prepared by **COCHIN SHIPYARD LIMITED [CIN: L63032KL1972GOI002414]** and having registered office at Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin, Ernakulam, Kerala, India, 682015 (hereinafter referred to as 'the Company'), contains details as required by the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2026.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Our Responsibility

4. The procedures for verification that have been selected depend on judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period except as stated in the report;

   iii. Obtained and read the Directors' Register as on March 31, 2026 and verified that at least one independent woman director was on the Board during the year from May 21, 2025;

   iv. Obtained and read the minutes of the annual general meeting held on September 29, 2025;

   v. Obtained and read the minutes of the Board of Directors and the committees of the Board of Directors, held from April 01, 2025 to March 31, 2026;

   vi. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

   vii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

   The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this certificate did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

5. Based on the procedures performed by us, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2026 except as follows:

   i. *The Company did not have sufficient number of independent directors on its Board during the audit period, as required under Regulation 17 of the Listing Regulations. The Company only had one independent* *director on its Board during the audit period, who was appointed on May 21, 2025. Consequently, the Company was non-compliant with respect to the conduct of separate meeting of independent directors as mandated under Regulation 25(3)&(4) of the Listing Regulations;*

ii. *There was no woman independent director on the Board of the Company from the start of the reporting period up to May 20, 2025, as mandated under Regulation 17 of the Listing Regulations;*

iii. *The Company did not have a duly constituted Audit Committee during the reporting period, as required under Regulation 18 of the Listing Regulations. Consequently, the Company was also non-compliant with respect to the conduct and frequency of Audit Committee meetings as mandated under Regulation 18(2) of the Listing Regulations;*

iv. *The Company did not have a duly constituted Nomination and Remuneration Committee during the reporting period, as required under Regulation 19 of the Listing Regulations. Consequently, the Company was also non-compliant with respect to the conduct and frequency of Nomination and Remuneration Committee meetings as mandated under Regulation 19(3A) of the Listing Regulations;*

v. *The Company did not have a duly constituted Stakeholders Relationship Committee from the start of the reporting period up to May 31, 2025, as required under Regulation 20 of the Listing Regulations;*

vi. *The Company did not have a duly constituted Risk Management Committee from the start of the reporting period up to May 31, 2025, as required under Regulation 21 of the Listing Regulations; and*

vii. *The requirement of quorum of at least one independent director as mandated under Regulation 17 of the Listing Regulations was not met in the Board Meeting of the Company held on May 15, 2025 as there were no independent directors on the Board of the Company.*

Other matters and Restriction on Use

6. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

7. This certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose.

8. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For SVJS & Associates
Company Secretaries

Vincent P D
Managing Partner
FCS. 3067
CP. No. 7940
Peer Review Certificate No. 6215/2024
UDIN: F003067H000354803

Kochi
13th May, 2026

Corporate Governance Certificate

(As stipulated in the guidelines on Corporate Governance for CPSES issued by the Department of Public Enterprises, Government of India)

To
The Members
COCHIN SHIPYARD LIMITED
Administrative Building
Cochin Shipyard Premises
Perumanoor, Cochin
Ernakulam, Kerala, India, 682015

1. We have examined the compliance of conditions of Corporate Governance by **COCHIN SHIPYARD LIMITED [CIN: L63032KL1972GOI002414]** (the Company) for the financial year ended 31.03.2026, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India ('CG Guidelines for CPSEs').

2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, We certify that the company has complied with the conditions of Corporate Governance, wherever applicable, as stipulated in the CG Guidelines for CPSEs except as follows:

    i. The Company did not have sufficient number of independent directors on its Board during the reporting period, as required under Clause 3.1 of the CG Guidelines for CPSEs;

    ii. The Company did not have a duly constituted Audit Committee during the reporting period, as required under Clause 4.1 of the CG Guidelines for CPSEs. Consequently, the Company was also non-compliant with respect to the conduct and frequency of Audit Committee meetings as mandated under Clause 4.4 of the CG Guidelines for CPSEs; and

    iii. The Company did not have a duly constituted Nomination and Remuneration Committee during the reporting period, as required under Clause 5.1 of the CG Guidelines for CPSEs.

4. We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

For SVJS & Associates
Company Secretaries

Vincent P D
Managing Partner
FCS. 3067
CP. No. 7940
Peer Review Certificate No. 6215/2024
UDIN: F003067H000354814

Kochi
13th May, 2026

Annexure II

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
COCHIN SHIPYARD LIMITED
Administrative Building
Cochin Shipyard Premises
Perumanoor, Cochin
Ernakulam, Kerala, India, 682015

1. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **COCHIN SHIPYARD LIMITED [CIN: L63032KL1972GOI002414]** and having its registered office at Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin, Ernakulam, Kerala, India, 682015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2026** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
i.	Valiyaparambil Jacob Jose	08444440	01/08/2019
ii.	Sankaranarayanapillai Harikrishnan	10221559	27/08/2025
iii.	Rajesh Gopalakrishnan	09576336	27/08/2025
iv.	Sivaperumal Venkatesapathy	07407879	07/08/2025
v.	Pullichalil Bava Nooh	09701541	20/06/2025
vi.	Seema Suri	11117145	21/05/2025

3. Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVJS & Associates
Company Secretaries

Vincent P D
Managing Partner
FCS. 3067
CP. No. 7940
Peer Review Certificate No. 6215/2024
UDIN: F003067H000354825

Kochi
13th May, 2026

Annexure III

CEO and CFO Certificate

The Board of Directors
Cochin Shipyard Limited
Kochi – 682 015

Dear Sirs,

1. I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2026 and that to the best of my knowledge and belief:

    (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

3. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies, if any.

4. I have indicated to the Auditors that:

    (i) There has not been any significant change in internal control over financial reporting during the year;

    (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

    (iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

5. I further certify that the funds disbursed for Corporate Social Responsibility (CSR) activities have been utilised by the Company for the purposes and in the manner as approved by the Board of Directors from time to time and also in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules made there under.

Jose V J
Director (Finance), CFO &
CMD (Addl. Charge)
DIN: 08444440

Kochi
May 15, 2026

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Udupi Cochin Shipyard Limited
S.No.377 Pazhamathur Village, Pukathurai Post,
Madurantakam Taluk, Kancheepuram,
Tamil Nadu, India, 603116

We, SVJS & Associates, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UDUPI COCHIN SHIPYARD LIMITED [CIN: U27209TN1984GOI010994]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) As informed to us, the following other laws are specifically applicable to the Company.

1. The Electricity Act, 2003 and the Regulations and Bye-laws framed there under;
2. The Industrial Employment Standing Orders Act and the Rules;
3. The Water (Prevention and Control of Pollution) Act 1974 and the Regulations and Bye-laws framed there under;
4. The Air (Prevention and Control of Pollution) Act, 1981 and the Regulations and Bye-laws framed there under;
5. The Environment (Protection) Act, 1986 and the Regulations and Bye-laws framed there under;
6. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016;
7. The Factories Act, 1948 and the Regulations and Bye-laws framed there under;
8. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
9. The Right to Information Act, 2005 and the Rules framed thereunder
10. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards relating to Meetings of the Board of Directors (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above.

In respect of other laws specifically applicable to the Company we have relied on information / records produced by the Company during the course of our audit and the reporting is limited to that extent.

We report that

The Board of directors of the Company is duly constituted. All the directors of the Company are Non-executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance in accordance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same was captured and recorded as part of the minutes.

We further report that to the extent of our verification, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

(i) Public / Right / Preferential issue of shares / debentures / sweat equity

(ii) Redemption / buy-back of securities

(iii) Merger / amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

For SVJS & Associates
Company Secretaries

Vincent P D
Managing Partner
FCS. 3067
CP. No. 7940
Peer Review Certificate No. 6215/2024
UDIN: F003067H000354847

Kochi
13th May, 2026

'Annexure A'

To
The Members
UDUPI COCHIN SHIPYARD LIMITED
S.No.377 Pazhamathur Village, Pukathurai Post,
Madurantakam Taluk, Kancheepuram,
Tamil Nadu, India, 603116

Our report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.

2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.

3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.

6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2026 but before issue of the Report.

7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SVJS & Associates
Company Secretaries

Vincent P D
Managing Partner
FCS. 3067
CP. No. 7940
Peer Review Certificate No. 6215/2024
UDIN: F003067H000354847

Kochi
13th May, 2026

Management Discussion and Analysis Report

Forward-Looking Statements

1. Statements in this Management Discussion and Analysis of financial condition and results of operations of the Company describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in these statements. Important factors that could influence the Company's operations include Government's strategy relating to acquisition of naval platforms, changes in government regulations, tax laws, economic developments within the country and such other factors globally. The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 and comply with the Accounting Standards specified under Section 133 of the said Act. The Company has used estimates and judgements relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs for the year.

2. The following discussions on our financial condition and results of operations should be read together with our audited financial statements and the notes to these statements included in the annual report.

Shipbuilding Industry

Global Shipbuilding Outlook

3. The global shipbuilding industry is entering a steady growth phase, with projections indicating the market could exceed US$262 billion by 2029. This growth is primarily driven by commercial vessels, which account for nearly 75% of total demand. This expansion is driven by a massive "newbuilding boom", with current orderbooks reaching their third-highest levels in history. Regulatory pressures to reduce emissions are also a key driver of increased demand for newbuilds.

Key Industry Drivers

4. The key drivers propelling the shipbuilding growth include:

   (i) **Fleet Renewal (Primary Driver):** A growing number of vessels are reaching the end of their service lives, creating strong demand for replacements;

   (ii) **Decarbonisation Mandates:** International Maritime Organisation (IMO) regulations are forcing a shift toward green shipping. The industry is transitioning beyond compliance to performance-based sustainability. Nearly 50% of new vessel orders in 2025 were for dual-fuel ships (LNG, methanol or ammonia-ready). Decarbonisation and green transitions are major uncertainties shaping the industry. Increasing focus on alternative fuels such as methanol, LNG, hydrogen and ammonia. Energy efficiency technologies and solutions are becoming increasingly important;

   (iii) **Demand Growth and Trade Expansion:** Despite uncertainties, seaborne trade is expected to grow, supporting long-term ship demand;

   (iv) **Fleet Modernisation:** A significant portion of the global merchant fleet is ageing (over 15-20 years), necessitating replacements with more efficient, tech-heavy models;

   (v) **Naval Expansion:** Rising geopolitical tensions are driving record-high defence spending. The U.S., for example, is investing roughly US$34-36 billion annually to modernise its naval fleet; and

   (vi) **Offshore Energy:** The growth of offshore wind farms has created a surge in demand for specialised installation and service vessels.

Dominant Players and Market Share

5. The shipbuilding industry remains heavily concentrated in East Asia, which controls roughly 93% of global shipbuilding capacity, though capacity is now expanding to other regions as well.

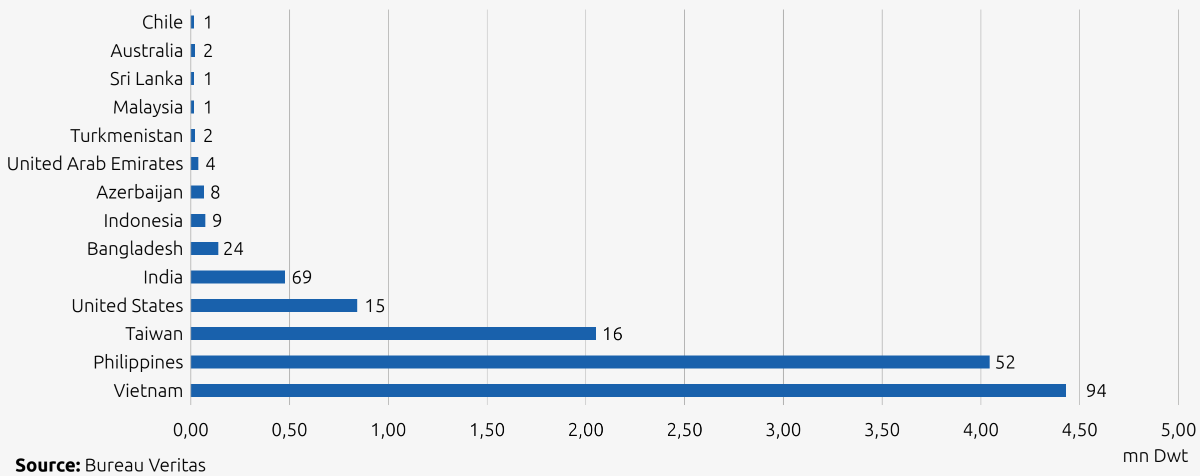
   (i) China: The undisputed leader with over 60% of the global commercial orderbook. It excels at cost-efficient production and has recently consolidated state-owned giants such as CSSC and CSIC to form the world's largest shipbuilding group;

   (ii) South Korea: Maintains a strong second position by specialising in high-value, complex vessels such as LNG carriers and mega-container ships;

   (iii) Japan: Holds a significant share focused on high-quality, fuel-efficient bulk carriers and advanced ship designs; and

   (iv) Emerging Challengers: Nations like India and Vietnam are aggressively seeking to capture market share. There is a structural shift in global competition, especially through the increasing capacity announcements from "other regions" such as India.

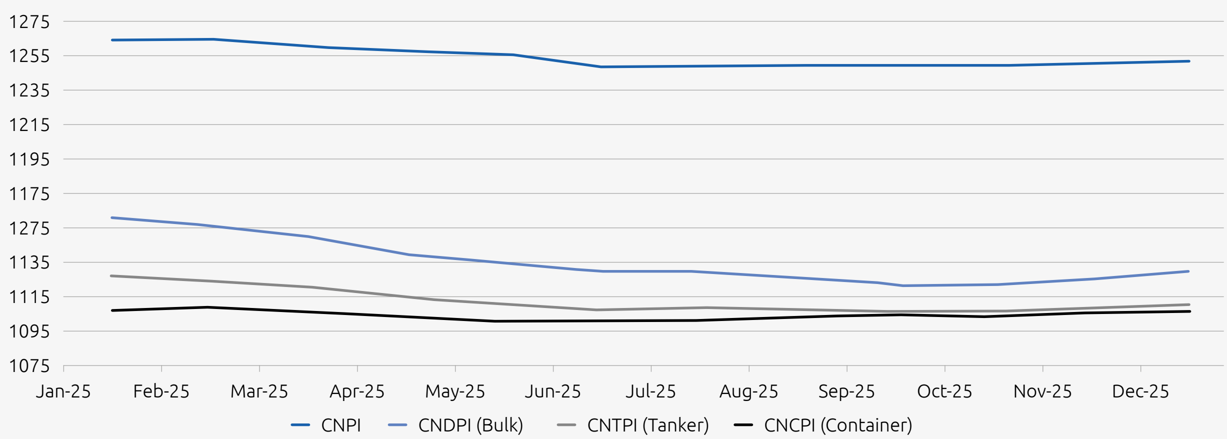
Orderbook Rest of the World 2025 (mn Dwt)



Source: Bureau Veritas

6. Newbuilding prices for bulkers, tankers and container carriers saw a modest increase in 2025. The Chinese Newbuilding Price Index (CNPI), produced by a panel of shipbuilders and shipbrokers, showed a marginal increase, upending the early indication of plateauing of demand. The booming container market played a key role in driving prices up, with second-hand vessel values also rising considerably.

CNPI



Source: Bureau Veritas

Technology and Innovation Trends

7. The shipbuilding industry, like all others, is undergoing major technological transformation. A few of these include:

   (i) Energy Efficiency Tools: Systems like simulation-based platforms are used to optimise fuel consumption and emissions;

   (ii) Alternative Fuel Ecosystem:

   - Methanol-ready vessels gaining traction; and
   - Growing bunkering infrastructure.

   (iii) Smart Ships and AI Integration:

   - Machine learning in engine rooms; and
   - AI-based energy management systems.

   (iv) Future Concepts:

   - Thermal Energy Storage Systems (TESS);
   - Solar-assisted propulsion; and
   - Autonomous vessels.

Major Challenges and Risks

8. Shipyard costs have been steadily rising. Salaries are up, but the more significant factor has been price hikes from suppliers, driven by inflation and higher demand. Despite the apparent boom in the market, shipyards are still facing difficulties. Growing construction costs seem to be outpacing the rise in newbuilding prices, leaving shipyards less satisfied than anticipated. A few contributory factors being:

   (i) Cost Volatility: Fluctuating prices for steel, which accounts for up to 80% of a ship's material, put severe pressure on yard profit margins;

   (ii) Labour Shortages: Approximately 41% of shipyards globally report critical shortages of skilled workers like welders and naval architects; and

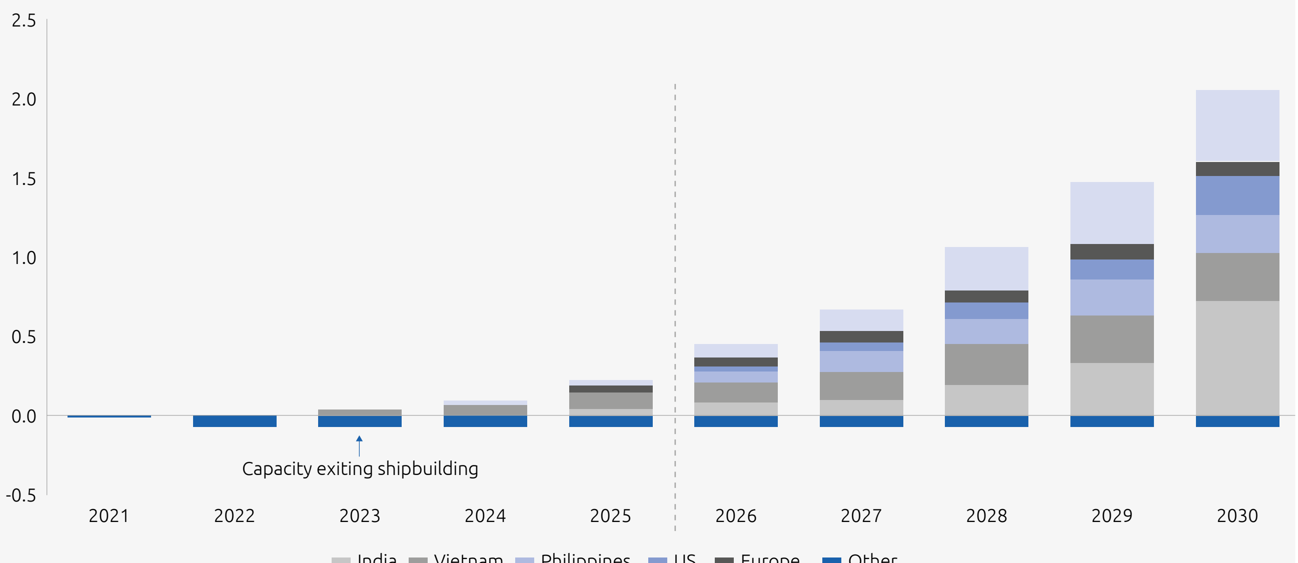
   (iii) Geopolitical Instability: Trade wars, potential tariffs and conflicts disrupt supply chains and shift trade routes, creating uncertainty for long-term investments.

Shipbuilding in India

9. The shipbuilding industry in India is at a critical stage, influenced by shifting global maritime trends and a growing domestic focus on expansion. Traditionally, India has had a limited share in the global commercial shipbuilding market, with stronger involvement in specific segments. However, recent developments indicate a shift, with growing interest in expanding shipbuilding capacity and increasing participation in global markets.

10. India's future position will depend on its ability to strengthen key factors such as capacity, investment, supply chain efficiency and overall competitiveness, as highlighted in global comparisons. With rising demand driven by fleet renewal and trade growth, India has the opportunity to enhance its role, though significant competition from established leaders remains.

Estimated Cumulative Capacity Changes In Other Regions, m CGT

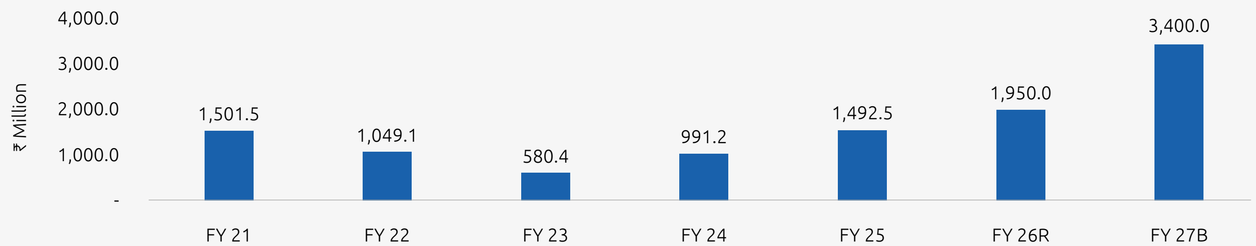


Source: Bureau Veritas

11. India's shipbuilding and shipping sectors are undergoing strategic transformation under the Government of India's long-term maritime vision. Through the Maritime India Vision 2030 (MIV 2030) and Maritime Amrit Kaal Vision 2047 (MAKV 2047), the Government has set ambitious targets to elevate India's position to the 10th largest globally in ship owning and shipbuilding by 2030, and 5th by 2047. These targets are supported by targeted policy interventions and infrastructure development programmes. A comprehensive package of ₹69,725 Crores has been approved by the Union Cabinet to revitalise India's shipbuilding and maritime sector.

Budgetary Allocation towards shipbuilding industry

12. The budgetary support for the Ministry of Ports, Shipping and Waterways for the year 2026-27 in the Union Budget proposed ₹3,400 million, higher by 74.36% from the 2025-26 revised budgetary support. During the Union Budget 2025-26, ₹1,950 million has been allocated to the shipbuilding industry, an increase of 30.65% from previous year's budget. Additionally, the Government has announced ₹10,000 million Maritime Development Fund, a Shipbuilding Financial Assistance Scheme (SBFAS) with an outlay of ₹5,150 million and a ₹2,500 million for capacity and capability development and credit risk coverage for shipbuilding in India – Shipbuilding Development Scheme (SbDS). The SBFAS is designed to promote the domestic construction of large, green and specialised vessels and is expected to generate nearly ₹960 billion of shipbuilding activity, replacing the existing policy after March 2026. To improve industry participation, the scheme will be made more flexible, allowing shipyards to combine benefits with other central and state schemes, opt between old and new policies during the transition period and avail retrospective benefits for approved projects where applicable.



Source: Care Edge

Government Support and Policy Initiatives for Indian Shipping Industry

Initiative / Policy	Description
Shipbuilding Financial Assistance Policy (SBFAP 2.0)	The Government of India has introduced the SBFAP 2.0 with a total outlay of ₹24,736 Crores to enhance the cost competitiveness of Indian shipyards. The policy provides financial assistance of 15 percent for vessels costing below ₹100 Crores, 20 percent for vessels above ₹100 Crores, and up to 25 percent for green or hybrid vessels that achieve at least 30 percent domestic value addition. It also includes a ship-breaking credit note scheme of ₹4,001 Crores to promote end-of-life recycling within Indian yards.
Maritime Development Fund (MDF)	The MDF, with a total corpus of ₹25,000 Crores, has been established to strengthen long-term financing for shipbuilding. It comprises a Maritime Investment Fund of ₹20,000 Crores and an Interest Incentivisation Fund of ₹5,000 Crores, which provides up to 3 percent interest subvention on loans extended to shipyards and shipping companies.
Shipbuilding Development Scheme (SDS)	The SDS provides ₹19,989 Crores to support greenfield and brownfield expansion of shipyards, along with risk-coverage and capability-building components. Out of this, ₹9,930 Crores is allocated for greenfield cluster capex, ₹8,261 Crores for brownfield modernisation, ₹1,443 Crores for risk coverage and ₹305 Crores for skill and capability development initiatives.
Infrastructure Status and Demand Aggregation	In September 2025, the Government accorded infrastructure status to large shipbuilding projects, enabling access to long-tenor, low-cost financing. At the same time, oil and gas public sector undertakings and the Shipping Corporation of India have aggregated demand for more than 112 vessels to be constructed domestically over the next decade, providing assured order visibility to Indian yards.

Initiative / Policy	Description
Public Procurement Preference and Right of First Refusal (RoFR)	The public procurement framework mandates that all government and PSU vessel orders valued up to ₹200 Crores must be placed with Indian shipyards. In addition, the revised RoFR policy gives priority to Indian-built, followed by Indian-flagged and Indian-owned vessels in all PSU and government tenders, thereby strengthening domestic shipbuilding demand.
Sagarmala Programme	The Sagarmala Programme, covering over 800 projects with a total investment of ₹5.8 trillion, focuses on port modernisation, ship repair, ship recycling and coastal connectivity. The second phase, Sagarmala 2.0, incorporates shipbuilding clusters and port-linked industrial infrastructure to reduce logistics costs and improve the coastal shipping ecosystem.
Maritime India Vision 2030 (MIV 2030)	The Maritime India Vision 2030 seeks to position India among the world's top 10 ship owning and shipbuilding nations by 2030. It targets an annual addition of 4–5 million GT of shipbuilding capacity, increased port repair capability and a coastal shipping share of 12–15 percent of domestic freight movement.
Green Shipping and Technological Transition	Under the Green Tug Transition Programme (GTTP), every major port is required to induct at least two green tugs in the first phase, with five standard tug designs released for adoption. The Harit Sagar Guidelines (2023) aim to achieve 60 percent renewable-energy use and a 30 percent reduction in emission intensity by 2030 across Indian ports. The complementary Harit Nauka Guidelines promote the use of clean fuels for inland vessels, while the National Centre of Excellence for Green Ports and Shipping (NCoEGPS)—set up jointly with TERI—focuses on R&D and technical standards for green shipping.

Outlook

13. Demand for shipbuilding in India is majorly driven by defence, which is expected to continue and the defence shipbuilding order book is expected to grow by 8–9% over the coming years which is expected to boost the Indian shipbuilding industry. Recent government-led shipbuilding and maritime reforms are expected to further support the growth of India's shipbuilding sector. The measures focus on improving domestic capacity through financial support, long-term maritime financing and infrastructure development, aimed at reducing reliance on foreign-built vessels and improving competitiveness. These reforms have the potential to boost the shipbuilding capacity to 4.5 million GT and enable shipbuilding output of up to 8.2 million GT, along with the addition of over 2,500 vessels by 2047. The reforms are also expected to drive investments of about ₹4.5 trillion, supporting sustained growth in both commercial and defence shipbuilding in India and are aligned with India's objective of becoming the 10th largest ship owning and shipbuilding nation by 2030 and the 5th largest by 2047.

14. The conflict in West Asia has disrupted key shipping routes, particularly through the Red Sea and Suez Canal, forcing many vessels to take longer routes via the Cape of Good Hope. This increases sailing time and fuel consumption and reduces schedule reliability, tightening effective vessel availability and keeping freight and insurance costs elevated. For India, over 90% of India's oil is transported on foreign ships, which increases exposure to such global disruptions. Against this backdrop, the Government has reiterated the strategic need to reduce dependence on foreign shipping and announced a ₹70,000 Crores campaign under the Make in India framework to build Indian ships and strengthen domestic capabilities across shipbuilding and allied services. Over the medium term, this policy push, along with defence-led demand, can support incremental order visibility for domestic shipyards, particularly for fleet addition and replacement programmes aligned with self-reliance objectives.

Demand Aggregation

15. In order to provide clear visibility to Indian shipyards of future orders under the above, the Government has aggregated the total demand of vessels up to 2041-42.

Organisation / Programme	Vessel Planned	Gross Tonnage (GT)	Investment (₹ Crores)
Oil and Gas PSUs – Fleet acquisition plan	59 vessels	2.8 million	47,800
SCI – Long Term Plan (bulk carriers/ tankers/ offshore/ ore vessels)	216 vessels	10 million	1,00,000
SCI – Container Fleet	51 container vessels	~6 million	60,000

Organisation / Programme	Vessel Planned	Gross Tonnage (GT)	Investment (₹ Crores)
Domestic Green Tug Programme	100 green tugs	-	12,000
Dredging Corporation of India – Fleet expansion	11 dredgers	-	3,775
Total	**437 vessels**	**~19 million**	**2.2 Lakhs**

Key Focus Sectors

16. Some key sectors focused by CSL which is in line with the International market drivers coupled with Indian demand are:

    (i) Container Vessels: Globally the container vessel market remains resilient with a large number of vessels being ordered. In addition to construction of small feeder vessels for a European client, CSL bagged an order for constructing 6 feeder container vessels for the world's third largest container carrier.

    (ii) Short sea/ Coastal: The new generation vessels with alternate fuels and green technologies are indicating huge potential in the replacement market of ageing short sea European shipping segment. The Company was successful in bagging such projects with innovative technologies to meet the new regulations. Further, order intake is likely in the coming year as well.

    (iii) Tugs and Port Crafts: The policy of the Ministry of Ports, Shipping and Waterways under ASTDS continued to show improved demand for the building of harbour tugs and the Company through its wholly owned subsidiaries viz., Udupi-CSL and Hooghly-CSL are actively working to bag many more orders. Further, with the new Green Tug Transition Programme (GTTP) on green tugs, the Company is ready to roll its green tugs meeting the GTTP guidelines which is likely to bring many more orders to the Company. CSL also bagged an order from a global tug operator to build 4 fully electric tugs (with option of 4 more).

    (iv) Inland vessels: The Government is focussed on improving the port and inland water infrastructure. The Company's pilot project of a hydrogen fuel cell powered catamaran vessel is operationalised in Varanasi. Similar projects are under discussion and it is expected to generate good demand. The river cruise vessels are also generating a lot of enquiries. Hooghly-CSL has already got orders for two vessels. This sector is likely to generate keen interest.

    (v) Renewables and Offshore Wind Segment: New large offshore wind farm infrastructure in deep ocean is expanding and the demand for various types of vessels to support the development, operations and maintenance of infrastructure for offshore wind farms such as Commissioning Service Operation Vessels (CSOV) and Service Operation Vessels (SOV) market, where CSL has established footprint, is likely to further enhance the order book on such projects.

    (vi) Defence Shipbuilding: The Indian defence shipbuilding industry is well poised with huge outlay by the Government of India and CSL is very much involved in many of the future projects which are under discussions.

    (vii) Large Merchant vessels: Even though CSL in the past built merchant vessels for carrying liquid and bulk cargo, for the last 18 years, the Company could not make much inroads due to market conditions and stiff competition to offer large tonnage vessels meeting market expectations. However, with the new large dry dock coming into action coupled with the Government of India policy to promote large tonnage vessels demand aggregation for Indian build Indian owned vessels, CSL is sensing a good opportunity to enter this market and bring better value to the Company.

Ship Repair Industry

Global Ship Repair Industry: Market Dynamics

17. The ship repair industry is undergoing a significant shift as global trade routes evolve and environmental regulations become more stringent. India, strategically positioned along major international shipping lanes, is poised to transition from a marginal player to a global hub for ship Maintenance, Repair and Overhaul (MRO).

18. The global ship repair market is projected to cross approximately US$40 billion by 2030. The market is fuelled by an ageing global commercial fleet and stringent IMO regulations regarding carbon emissions, necessitating retrofitting and life-extension repairs. There is an increasing demand for 'Green Ship' conversions (LNG, ammonia, or hydrogen fuel systems) and digitalised maintenance, such as remote diagnostics and condition-based monitoring. Historically, China, Singapore and the Middle East (Dubai/ Qatar) have dominated the sector due to their massive drydock infrastructure and quick turnaround times.

The Indian Ship Repair Landscape

19. India's ship repair sector has traditionally been undersized compared to its maritime potential, but it is currently in a high-growth phase. From a modest valuation in previous years, the sector is projected to grow many folds by 2033. Under Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047, the Indian Government aims to place the country in the Top 10 global shipbuilding and repair nations. India is currently working to overcome the shortage of 'Large' dry docks capable of handling large commercial vessels to fill up the infrastructure gaps.

The Pivotal Role of CSL

20. As India's largest and most modern shipbuilding and repair facility, CSL is the cornerstone of India's maritime ambitions, with its capability to undertake repairs of vessels up to 2,25,000 DWT. It is the only shipyard in India with proven expertise in executing complex underwater repairs and maintenance of aircraft carriers. CSL has continued to strengthen its ship repair business through infrastructure expansion, strategic collaborations, pan India presence with strategically located facilities at Kochi Main Yard, ISRF (Willingdon Island-Kochi), CMSRU (Mumbai), CKSRU (Kolkata) and CANSRU (Sri Vijaya Puram) and diversification into high-value segments. CSL also plays a critical role in 'Atmanirbhar Bharat' by providing life-cycle support for the Indian Navy and Coast Guard, ensuring fleet readiness without relying on foreign yards.

Capacity Augmentation and Infrastructure Development

New Dry Dock (NDD)

21. The commissioning of the New Dry Dock (NDD) which is now fully operational has significantly enhanced CSL's ship repair capabilities, enabling entry into high-value 'mega-project' and offshore segments such as Suezmax and Capesize vessels, LNG carriers and jack-up rigs. This capability is demonstrated by the recent ONGC contract for jack-up rig repairs. In addition, CSL has further strengthened its position in the defence segment through major refit projects of Indian Naval vessels, including MR & MLU, Re-engining project and RE Class refits, thereby demonstrating its capability to handle complex naval repair works alongside commercial and offshore projects.

International Ship Repair Facility (ISRF)

22. Commissioned in 2025, the ISRF is equipped with a state-of-the-art 6,000-tonne ship lift, six workstations, and a mobile transfer system. The facility is capable of handling vessels up to 130 meters in length and 6,000 tonnes displacement and significantly enhances CSL's overall ship repair capacity and improve operational efficiency enabling CSL to undertake repairs of around 82 additional vessels annually. During FY 2025–26, ISRF successfully executed around 35 refit projects, catering to a diverse mix of defence and commercial vessels.

23. This complementary arrangement allows the ISRF to handle smaller and medium-sized vessels efficiently, while the NDD is dedicated to high-value, large-scale and complex repair projects, thereby optimising throughput and maximising revenue potential for CSL.

Strategic Collaborations

24. CSL has taken significant steps towards ecosystem development and global integration. CSL signed an MoU in April 2025 and a Heads of Terms Agreement in October 2025 with Drydocks World (DP World group, Dubai) under the aegis of the Ministry of Ports, Shipping and Waterways to develop ship repair clusters and leverage global best practices.

25. In August 2025, CSL signed an MoU with Seatrium Offshore Technology (SOT), a subsidiary of Seatrium Limited, Singapore to strengthen collaboration in the offshore vessel repair/ conversion sector. The partnership intends to combine CSL's infrastructure and manpower capabilities with SOT's offshore engineering expertise to jointly pursue MRO projects across India.

26. An MoU was signed in September 2025 between Naval Dockyard Mumbai (WNC-IN) and CSL which would cater to docking, repairs and allied services of Indian Navy vessels under NDMb (WNC-IN) at CMSRU, Mumbai.

27. During India Maritime Week 2025, following MoUs were exchanged with various stakeholders, reinforcing CSL's strong position in the ship repair market.

    - MoU with Deendayal Port Authority for developing ship repair ecosystem at Vadinar, Gujarat, including floating docks capable of handling approximately 40 large vessels annually. The project has been approved by the Cabinet Committee on Economic Affairs (CCEA) on May 05, 2026. The project is planned as a brownfield facility with a 650 metres jetty, two large floating dry docks, workshops and associated marine infrastructure with a combined investment of ₹1,570 Crores for repair of vessels up to 300 m length; and
    - MoU with JSW Shipping for repairs of their fleets of vessels at CSL facilities.

28. These initiatives are expected to significantly augment national ship repair capacity and strengthen CSL's leadership position in the sector.

Business Diversification

29. CSL continues its effort to expand into new and high-value segments, including offshore fabrication and repair, vessel conversions and retrofits and defence and

weapon platforms. This diversification strategy is aimed at enhancing revenue streams, improving margins and reducing dependence on conventional repair segments.

Ship Repair Clusters

30. The Government of India, through the Ministry of Ports, Shipping and Waterways (MoPSW), launched the Maritime India Vision (MIV) 2030 and the Maritime Amrit Kaal Vision (MAKV) 2047 to establish India as a leading maritime nation. Key initiatives include creation of ship repair clusters in India, to enhance operational efficiency, global standing and competitiveness in the maritime sector. CSL, under MoPSW, has been entrusted with the role of the nodal agency to develop India's first two such clusters—one at Kochi, Kerala (centered around the International Ship Repair Facility (ISRF)), and a second proposed at Vadinar, Gujarat. The vision is to leverage India's geographic positioning and CSL's existing infrastructure to attract global repair, maintenance and conversion business.

Outlook

31. With strong policy support under MIV 2030 and MAKV 2047, increasing maritime activity in the Indian ocean region and CSL's ongoing investments in infrastructure, partnerships and capability development, the Company is well positioned to capitalise on emerging opportunities in the ship repair sector. CSL's integrated approach—combining capacity expansion, ecosystem development and strategic diversification—positions it to play a pivotal role in transforming India into a global hub for ship repair and maintenance. The convergence of global fleet ageing and India's aggressive policy framework has created a 'perfect storm' for growth. Cochin Shipyard acts as the primary engine for this growth, transforming Kochi into a world-class maritime MRO destination that offers a competitive, high-tech alternative to traditional global hubs.

Operations

32. The total turnover of the Company is ₹4,307.69 Crores during the financial year 2025-26, as against the previous year of ₹4,527.84 Crores.

33. The shipbuilding income during the year is ₹2,651.39 Crores as against the previous year income of ₹2,663.27 Crores. During the year, CSL delivered two Hybrid Electric Catamaran Hull vessels to Kochi Metro Rail Limited (KMRL), two Anti-Submarine Warfare Shallow Water Crafts (ASW SWC) to the Indian Navy, one Multi-Purpose Vessel (MPV) to HS Service GMBH & Co. KG, Germany and one Hybrid Electric Catamaran Passenger Vessel to Inland Waterways Authority of India (IWAI).

34. The unexecuted order book of the Company as on March 31, 2026 stands at around ₹18,900 Crores, consisting of around 51 vessels with Defence order book at ₹12,150 Crores consisting of 12 vessels, Commercial (domestic) order book at ₹725 Crores consisting of 16 vessels and Commercial (export) order book at ₹6,025 Crores consisting of 23 vessels. Out of the total Commercial order book of ₹6,750 Crores, around 90% is export order and around 40% comprises of green vessels.

35. The ship repair income during the year is ₹1,656.30 Crores as against the previous year income of ₹1,864.57 Crores. CSL's Ship Repair Division, driven by a focused strategy of enhancing volumes, maximising asset utilisation and leveraging its multi-location presence across the subcontinent, significantly strengthened its regional accessibility and expanded its footprint in both domestic and international markets. During the financial year, the Division successfully executed over 100 refits through its five facilities spread across India, catering to a diverse portfolio of clients.

Financial Information

36. The financial information of the Company pertaining to the last decade is given below:

(Amount in ₹ Crores unless otherwise stated)

Financial Year	Paid up capital	Nominal value of shares (₹ per share)	Capital employed	Networth	Profit Before Tax	Tax on Profits	Net Profit	EPS (₹)	Dividend	Payout ratio
2025-26	131.54	5	6968.47	5,892.83	886.40	243.36	643.04	24.44	236.77	0.37
2024-25	131.54	5	5,549.91	5,610.65	1,133.85	290.94	842.91	32.04	256.50	0.30
2023-24	131.54	5	4,971.89	5,025.87	1,093.62	280.52	813.10	30.91	256.50	0.32
2022-23	131.54	10	4,480.05	4,423.42	448.51	114.02	334.49	25.43	223.62	0.67
2021-22	131.54	10	4,355.75	4,359.18	794.39	207.82	586.57	44.59	220.33	0.38
2020-21	131.54	10	3,964.27	3,977.57	810.59	200.49	610.10	46.38	203.89	0.33
2019-20	131.54	10	3,748.78	3,731.80	863.43	225.74	637.69	48.48	218.75	0.34
2018-19	131.54	10	3,327.72	3,332.08	751.38	270.20	481.18	35.72	171.00	0.35
2017-18	135.94	10	3,271.03	3,255.87	604.86	208.11	396.75	31.03	163.12	0.41
2016-17	113.28	10	2,062.02	2,028.58	493.40	171.85	321.55	28.39	101.61	0.32

Key Financial Ratios

Sl. No.	Particulars	FY 2025-26	FY 2024-25	Change (in %) as compared to FY 2024-25	Detailed explanation for change of 25% or more
1.	Debtors Turnover	12.44	13.30	-6	N.A.
2.	Inventory Turnover	2.21	3.33	-34	Due to project specific materials and equipment held in stock for the vessels currently at various stages of construction and decrease in turnover.
3.	Interest Coverage	11.66	32.11	-64	Due to decrease in profit and increase in finance costs on account of short term loans taken during the year.
4.	Current Ratio	1.33	1.34	-1	N.A.
5.	Debt Equity Ratio	0.17	0.00	4,100	Due to short term loans taken during the year.
6.	Operating Profit Margin (%)	22.51	25.85	-13	N.A.
7.	Net Profit Margin (%)	14.93	18.62	-20	N.A.

Return on Networth

Particulars	FY 2025-26	FY 2024-25	Change (in %) as compared to FY 2024-25	Detailed explanation for change
Return on Networth (%)	10.91	15.02	-27	Due to decrease in profit for the year.

Proposed/ Declared Dividend

37. As per Office Memorandum F.No.5/2/2016-Policy dated November 18, 2024 issued by the Department of Investment and Public Asset Management (DIPAM), every CPSE have to pay a minimum annual dividend of 30% of PAT or 4% of the networth, whichever is higher. Accordingly, your Directors are pleased to recommend a final dividend of ₹1.50 per share on the 26,30,80,780 fully paid equity shares of ₹5 each. Earlier, interim dividends of ₹4 and ₹3.50, aggregating to ₹7.50 per equity share had been paid to the shareholders during 2025-26. Thus, the total dividend for the year 2025-26 is ₹9 per equity share (180%), amounting to ₹236.77 Crores.

Segment-wise/ Product-wise Performance

38. The Company is engaged in two major activities viz., shipbuilding and repair of ships/ offshore rigs etc. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis. The segment wise performance is given below:

(₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Segment Assets		
Shipbuilding	9,81,929.73	8,22,323.58
Ship Repair	3,68,919.83	3,48,784.30
Unallocated	57,957.92	1,33,441.35
Total	**14,08,807.48**	**13,04,549.23**
Segment Liabilities		
Shipbuilding	5,99,776.60	4,36,865.61
Ship Repair	40,339.61	1,01,917.29
Unallocated	1,79,408.43	2,04,701.13
Total	**8,19,524.64**	**7,43,484.03**

(₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Segment Revenue		
Shipbuilding	2,65,138.62	2,66,326.95
Ship Repair	1,65,630.45	1,86,457.20
Unallocated	40,457.20	38,044.61
Total	**4,71,226.27**	**4,90,828.76**
Segment Result		
Shipbuilding	47,536.79	43,421.67
Ship Repair	42,941.22	72,919.61
Unallocated	6,477.83	688.19
Total	**96,955.84**	**1,17,029.47**

39. The Company has two major business segments – "Shipbuilding" and "Ship Repair". Revenue under Shipbuilding includes ₹1,58,820.82 Lakhs (previous year: ₹2,06,665.27 Lakhs) from two customers (previous year: two customers) having around 59.90% of the total Shipbuilding revenue and for Ship Repair includes ₹1,00,833.29 Lakhs (previous year: ₹1,53,005.55 Lakhs) from two customers (previous year: two customers) having around 60.88% of the total Ship Repair revenue.

SWOT

Strengths

(i) Diversified product portfolio in ship building and repair;

(ii) A very good product mix compatibility comprising of defence ships, commercial ships and offshore ships;

(iii) Highly trained, motivated and knowledgeable manpower with an average of 15 years of experience at all levels of hierarchy resulting in extremely high-quality workmanship;

(iv) State-of-the-art facilities with well-planned and laid out shipyard enabling smooth work flow and efficient production;

(v) Pan India presence with seven units spread across the country thus providing more flexibility to meet the market demands;

(vi) A modern state-of-the-art design centre manned by highly trained, experienced and competent naval architects/ engineers, draftsmen etc.;

(vii) Highly evolved shipbuilding processes and practices permitting modular construction of ships; and

(viii) Availability of quality sub-contractors and good supply chain network.

Weaknesses

(i) Virtually non-existent indigenous ancillary industries and consequently non-availability of major equipment/ raw materials in India;

(ii) Non-availability of standard designed products as a part of current product line;

(iii) Non-availability of visible domestic demand which makes company dependant on international market;

(iv) Higher finance and logistics costs resulting in higher input costs for production;

(v) Comparatively higher social and employee overheads being a public sector enterprise; and

(vi) Governmental system induced procedural delays.

Opportunities

(i) Projected increase in requirement of ships for the domestic commercial segment, owing to the Government of India's policy towards demand aggregation and channelising it for 'Make in India' policies;

(ii) Projected demand in the defence sector;

(iii) Geopolitical situations and India being seen as a favourable destination for the industry;

(iv) New generation vessels with green technology to meet new regulations for international and domestic markets;

(v) The lead position and preparedness of the Company to meet the demand from green tug market;

(vi) First mover advantage for introducing complete indigenous solutions for hydrogen fuel cell technology integration in vessel building in collaboration with Indian partners;

(vii) Strategic partnerships with global technology segments in maritime space;

(viii) Vessels to support offshore renewable and return of Oil and Gas industry;

(ix) Huge demand – supply gap for the repair of commercial and defence ships and virtually no competition in India; and

(x) Ageing global fleet, increased maritime trade and stringent environmental regulations necessitating regular maintenance and retrofitting.

Threats

(i) Distress pricing policies of competitors;

(ii) Adverse reputational impact on the Indian shipbuilding industry due to under performance by Indian yards;

(iii) Rising cost of labour and materials;

(iv) Non-flexible government regulations on procurement policies delaying the product delivery timelines and cost;

(v) Difficulty to tap skilled manpower due to migration of experienced workforce to booming international market; and

(vi) Adverse geopolitical situations and trade war uncertainties.

CRUISE $2030^{2.0}$

40. Over the past few years, CSL has made significant strides under its long-term transformation initiative, CRUISE 2030 (CSL Revenue Unlock through Integrated Strategic Excellence). This programme laid a strong foundation for future growth through targeted expansion, modernisation and capability building. Notable achievements include the establishment and operationalisation of three new Ship Repair Units (SRUs) – CMSRU, CKSRU and CANSRU – and the operational strengthening of CSL's subsidiaries Hooghly-CSL and Udupi-CSL. Major investments were made in digital systems and infrastructure, including the implementation of SAP S/4HANA, integration of the Dassault 3DEXPERIENCE platform and deployment of state-of-the-art digital surveillance system. A dedicated Digital Centre of Excellence (DCoE) was also created to lead CSL's digital transformation across functions. Furthermore, CSL launched a third vertical – CSL Strategic & Advanced Solutions (C-SAS) – to tap into emerging technologies and deliver end-to-end maritime solutions.

41. Having largely achieved the objectives of the initial CRUISE 2030 roadmap, CSL initiated a strategic review to assess its current positioning and define the way forward in light of changing global maritime dynamics and new business opportunities. In October 2024, a Leadership Offsite was convened at Kumarakom, bringing together senior executives and strategy consultants, BCG. The two-day conclave led to a collective vision of scaling CSL to a ₹12,000 Crores company by FY31. The discussions focused on identifying actionable priorities and strategic enablers to support this growth.

42. Based on these deliberations, CSL has now launched CRUISE $2030^{2.0}$ (CRUISE 2030 raised to 2.0), a refreshed and forward-looking roadmap that builds on the foundation laid over the past few years. Key initiatives under CRUISE $2030^{2.0}$ include the establishment of ship repair clusters at Kochi and Vadinar, investment in marine electrification technologies to enhance design capabilities, development of a ship block-making facility to support scale and efficiency and the exploration of strategic partnerships with European shipyards to access advanced markets. To ensure effective implementation, a CRUISE $2030^{2.0}$ Strategic Review Team has been constituted at the highest level to track progress monthly, provide strategic oversight, recommend course corrections and periodically report to the Board. These initiatives are aligned with national maritime goals under MIV 2030 and MAKV 2047 and reflect CSL's ambition to emerge as a globally competitive, innovation-led leader in the maritime sector.

CSL Strategic & Advanced Solutions (C-SAS)

43. Expanding beyond our core Shipbuilding and Ship Repair portfolios, CSL has established a dedicated division named CSL Strategic & Advanced Solutions (C-SAS) to venture into the arena of strategic and knowledge-driven future technologies in the maritime sector. C-SAS has been actively engaged in identifying and developing sustainable and future-oriented business models. Some of the key initiatives undertaken by the C-SAS Division during the financial year 2025-26 are as follows:

- System Integration of India's first fully Indigenous High Endurance Autonomous Underwater Vehicle (HEAUV): C-SAS team successfully completed integration and trials of three carriers. The carrier-3 was successfully tested for the vehicle dynamics in both surface and submerged condition through multiple runs with perfect performance of sonars and communication systems. Maiden sea trial of carrier-2 was successfully carried out. The indigenous development of the launch and recovery system is currently in progress.

- C-SAS is presently undertaking the development of the launch control station of the High Endurance Autonomous Underwater Vehicle (HEAUV), a fully integrated platform designed to manage the command, control and communication operations of HEAUV.

- Digital Twin implementation for INS Vikrant (IAC): C-SAS has undertaken the Digital Twin implementation onboard INS Vikrant (IAC) for the Indian Navy. The Digital Twin software was procured from M/s. GE Vernova and necessary interfacing software with gas turbine controllers from M/s. L3 Harris. The data servers, hardware equipment and interfacing solutions, onboard and shore office implementation were provided by C-SAS team. The implementation of Digital Twin onboard INS Vikrant was completed in March 2025 and the system successfully went live in April 2025.

- C-SAS is currently working on the development of a fully indigenous Autonomous Surface Vessel (ASV) pilot project by collaborating with Indian development partner firms. In addition to the vessel building aspects, the ASV pilot project also involves indigenous co-development of maritime autonomy and its associated critical subsystems/ technologies by CSL and the identified Indian strategic partner firms including start-ups. In this context, five contracts were awarded and the vessel including related subsystems is advancing progressively. IR class contract is also underway for the development and certification of indigenous ASV and its key subsystems/ technologies.

- C-SAS is jointly developing an advanced laser based fully automated welding process in collaboration with an Indian Technology partner. The automated welding system is capable of producing high quality welds at high welding speeds with minimum heat input. The indigenous laser development for the system is in advanced stages.

- C-SAS is developing an innovative sensor aided drydocking assistant solution which will improve the safety and accuracy during drydocking operations. The prototype testing of the same is successfully completed. Productising the technology is in progress.

ESG initiatives

44. CSL is integrating Environmental, Social and Governance (ESG) principles into its operations and decision-making processes, with a dedicated team overseeing implementation. The Company has a significant presence in green shipbuilding, with about 40% of its current commercial order book comprising green vessels. In the recent past, CSL delivered zero-emission feeder container vessels to ASKO Maritime AS, Norway, 20 hybrid electric catamaran vessels for the Kochi Water Metro Project. It has also delivered three hybrid electric passenger vessels for the Inland Waterways Authority of India (IWAI). In addition, CSL has developed and delivered India's first indigenous hydrogen-fuelled electric vessel as a pilot project, aligned with the National Green Hydrogen Mission. The vessel has been delivered to IWAI and is operational at Varanasi, supporting the adoption of cleaner marine fuels.

45. Over the years, CSL has implemented a wide range of proactive initiatives to reduce its carbon footprint and conserve natural resources, reinforcing its commitment to environmental sustainability. The Company has been awarded the "GreenCo Gold" rating by the Confederation of Indian Industry (CII). CSL has also engaged CII to assess its existing ESG framework, including gap assessment and double materiality assessment and to develop a detailed roadmap.

46. CSL continues to strengthen its environmental management practices and energy transition efforts. CSL is planning to expand the renewable energy capacity by way of rooftop solar installations in CSL from the existing 2,422 kWp to 4,000 kWp in a phased manner, expected to be completed by December 2028. As part of the green energy transition, it has been decided to implement a Battery Energy Storage System (BESS) in a phased manner. BESS will be charged through the purchase of low-cost renewable power from the Green Day Ahead Market (GDAM) and the surplus solar generation whenever available. The stored energy will be used during peak tariff periods. It is planned to complete the implementation of the first phase of BESS by December 2027. Upon commissioning of the project, CSL expects to meet approximately 60-70% of its energy requirements through green energy sources. The Company is also evaluating the use of Compressed Natural Gas (CNG) for metal cutting operations to reduce emissions and improve safety.

47. The Company has recently implemented ISO 50001:2018 Energy Management System (EnMS). The purpose of EnMS is to systemise energy management in CSL. Significant Energy Uses (SEUs) were identified after analysis of energy performance of CSL. Subsequently, energy performance indicators were identified and energy baseline was set for the SEUs. The measurement and monitoring plan set up as part of the system shall ensure prompt monitoring and control of the aforesaid parameters, thus contributing to improvement of energy performance of CSL.

48. In addition, CSL has implemented several smart energy management and automation measures aimed at improving energy efficiency and reducing operational costs. These initiatives leverage advanced technologies to monitor, control and optimise energy usage in real time. Key measures include:

    (i) To monitor energy utilisation, an IoT-based remote energy monitoring system has been implemented, enabling real-time tracking and analytics for energy consumption/ generation;

    (ii) In alignment with intelligent energy use, sensor-based lighting controls have been installed in critical areas like the ship building service tunnel, two nos. of substations and common areas. These systems automatically adjust lighting based on occupancy, ensuring energy is used only when necessary;

    (iii) VRF (Variable Refrigerant Flow) air conditioning systems have been installed to optimise cooling energy consumption. Additionally, BLDC 5-star rated ceiling fans and man coolers have been introduced, improving energy efficiency while maintaining comfort standards;

    (iv) Installation of Variable Frequency Drive (VFD) for Ballast Pump at repair dock resulted in enhanced overall efficiency and substantial energy savings. VFD also enables smooth start and stop of the motor, thus improving operational reliability;

    (v) As part of the air-conditioning replacement plan, existing R-22 based air conditioners were replaced with energy-efficient systems using eco-friendly R-32 refrigerant. The replacement contributes to improved cooling performance, reduced power consumption and lower greenhouse gas emissions compared to conventional R-22 systems;

    (vi) Significant upgrades also include the replacement of conventional light fittings with energy-efficient LED lights at various strategic locations such as building dock service tunnels and LLTT cranes; and

    (vii) Power factor is closely monitored and maintained near unity to ensure optimal electrical performance and reduce wastage.

49. Further, CSL has implemented an innovative micro-algae-based ‘Liquid Tree’ system to support carbon sequestration and environmental sustainability. The algae-based technology facilitates efficient absorption of CO_2, production of oxygen and conversion of biomass into valuable resources such as food and poultry feed.

Risks and Concerns

50. The risks for the Company arise from the inherent nature of the shipbuilding industry. An indispensable portion of the Company’s revenue over the years is from the commercial shipbuilding which is highly cyclical in nature. The commercial shipbuilding industry prospects are dependent on world trade and the cyclicity of oil, natural gas, shipping, transportation and other trade related industries. The Yard, being located at coastal areas due to the inherent nature of the industry, may be affected by the rise in sea level due to change in climate conditions and global warming.

51. Substantial portion of the Company’s activities involve the fabrication and refurbishment of large steel structures and its erection which would entail the operation of cranes and other heavy machinery and other operating hazards. The operational risks faced by the Company also could result in fires and explosions etc. Though the losses caused on such eventualities are covered under a standard fire and special perils policy, CSL do not have insurance for business interruption. These risks could expose the Company to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages.

52. Another high risk area for the Company is the availability and price fluctuations of major raw materials. The major raw materials include steel (the grade and quality of which, in each project, depends on the applicable classification rules) and other materials, equipment and other components such as pumps, propellers and engines. In fiscals 2024, 2025 and 2026 respectively, the Company’s material consumption costs constituted 56.87%, 52.50% and 48.10% of its total costs, respectively. In particular, bought out components accounted for around 93.17% of our total raw material cost in these recent fiscals.

53. Shortages in the supply of raw materials may result in an increase in the price of these raw materials. For example, there are supply-side constraints in relation to steel in India which we expect will continue in future. The Indian steel industry has been unable to compete globally due to which the GOI has imposed significant duties on the import of steel from other countries such as China to protect the domestic steel industry. This has adverse impacts when CSL is unable to source steel economically. In addition, the cost of certain raw materials, such as steel, aluminium, copper etc., may fluctuate in line with any changes in their global supply and demand and thus impacting the material cost.

54. In the event that the price of the Company’s raw materials increases, the Company will not be able to pass these

price increases to its customers on its existing fixed contracts and its business, financial condition and results of operations can be adversely affected.

55. Changes in currency exchange rates may influence our results of operations. Globally, a substantial part of all worldwide ship sales transactions and purchase of offshore structures is generally conducted in USD and Euro. To mitigate this risk, the Company hedges the net forex exposure on the export receivables. However, in the case of import components in respect of shipbuilding/ ship repair contracts denominated in Rupee terms, CSL is exposed to exchange rate fluctuation risk unless the contract with the ship owner provides for an exchange variation reimbursement clause. Currently, some of the shipbuilding contracts do not contain such provision. Hence, adverse fluctuation in the currency rates will affect and influence our results of operations.

Product Diversification

56. CSL is undertaking product diversification efforts to align with emerging technologies and sustainability goals. As part of this, CSL designed and built India's first fully indigenous Hydrogen Fuel Cell Catamaran Vessel in collaboration with Indian partners with the assistance of the Ministry of Ports, Shipping and Waterways, supporting the National Green Hydrogen Mission. CSL secured international orders for Hybrid Service Operation Vessels for offshore wind farm support in Europe, where sustainable energy solutions are in high demand. The Company also secured orders for building green tugs for domestic and international clients, reflecting the growing demand for environmentally sustainable maritime solutions and reinforcing its position in the evolving green shipbuilding segment.

57. In the autonomous space, CSL is developing the 'SWAYAT' Autonomous Surface Vessel and a High Endurance Autonomous Underwater Vehicle to enhance capabilities in emerging maritime space. An advanced laser based fully automated welding system to enhance shipbuilding productivity and a sensor aided drydocking assistant solution are being indigenously developed. Further, through CSL's Start-up Engagement Framework 'USHUS', launched with an initial ₹50 Crores corpus, the Company aims to support maritime start-ups. So far, ₹12.50 Crores has been committed to 24 start-ups working in areas like deeptech, AI, renewable energy and eco-materials. The framework provides financial, technical and mentoring support, with Indian Institute of Management Kozhikode LIVE (IIMK LIVE) and Indian Institute of Technology Madras (IITM) serving as Review and Recommending Agencies for selection, monitoring and stakeholder coordination.

Internal Control

58. The Company has in place adequate internal control systems. The internal audit function is carried out by an independent firm of Chartered Accountants who carry out an in-depth review of internal control systems in critical areas based on the audit programme approved by the Board level Audit Committee headed by an Independent Director. Since there was no functional Audit Committee during the financial year 2025–26 due to non-appointment of sufficient number of Independent Directors by the Government of India, the audit programme was approved by the Board.

Human Resource Development and Industrial Relations

59. The details regarding Human Resource Development and Industrial Relations are more specifically covered in the Directors' Report.

Women Empowerment

60. CSL has constituted Internal Complaints Committees, chaired by senior women executives, in accordance with the guidelines and norms prescribed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The Certified Standing Orders applicable to workmen include sexual harassment as an act constituting misconduct. The Internal Complaints Committees are empowered to enquire into such complaints as per the procedure laid down in the Certified Standing Orders and Industrial Employment (Standing Orders) Acts and Rules.

61. CSL conducted an in-house awareness session on the Prevention of Sexual Harassment (POSH) at the workplace, reinforcing its zero-tolerance stance on gender bias and reaffirming its commitment to ensuring a safe, respectful and inclusive environment for women employees. Additionally, an online POSH awareness session was organised for employees across CSL units, extending the Company's commitment to workplace safety and sensitisation across all its establishments.

62. In alignment with the Swasth Nari Sashakt Parivar Abhiyaan launched by the Ministry of Health and Family Welfare and the Ministry of Women and Child Development, CSL organised a focused wellness session titled "Your Menstrual Cycle Is Your Superpower" exclusively for its women employees. The session underscored CSL's commitment to promoting menstrual health awareness and fostering a supportive and inclusive workplace environment.

63. CSL has enhanced its employee welfare framework by implementing Phase II of the Child Care Leave (CCL) Policy, effective from January 01, 2026. This updated policy, streamlines support for women employees and single parents to manage their children's educational and medical needs while ensuring operational continuity. Key modifications include extending eligibility to single male parents with disabled children and introducing specific leave durations for upbringing, examinations and medical requirements based on the child's age. Under the revised guidelines, employees can avail up to 730 days of CCL during their entire service.

64. CSL conducted a comprehensive series of Mental Health Awareness sessions to promote the holistic well-being and work–life balance of its women employees. Led by a practicing clinical psychologist, the programme was delivered in age-specific multiple batches to ensure focused and effective engagement for women employees and trainees. The sessions addressed key areas such as anxiety, depression, role conflict and management of work-related stress, while also encouraging self-motivation and emotional resilience. Through these structured initiatives, CSL continues to reinforce its commitment to fostering a supportive, healthy and productive workplace for its women workforce.

65. CSL celebrated International Women's Day on March 09, 2026 with a well-curated half-day programme. The event featured an inaugural session led by the Chief Guest, followed by a talent showcase highlighting the skills and creativity of CSL's women workforce, as part of the celebrations.

66. Further, the Company ensures the participation of women in various forum including Joint Council, Shop Council, Central Safety Council, Shop Safety Council, Employees Contributory Provident Fund Trust, Cochin Shipyard Recreation Club, Cochin Shipyard Consumer Society, Cochin Shipyard Officers Welfare Centre etc.

Micro, Small and Medium Enterprises (MSME) as per the Public Procurement Policy 2012

67. CSL is making sustained efforts to enhance the procurement of goods and services from MSEs. For the financial year 2025-26, the Company has achieved a total indigenous procurement of 64.75% from MSEs, 0.81% from SC/ ST and 2.57% from women entrepreneurs against the MoU targets of 25%, 4% and 3% respectively. CSL could successfully contribute business opportunities to more than 15 SC/ ST entrepreneurs and 85 women entrepreneurs during the year. Efforts are being continued to enhance the participation of SC/ ST and women MSEs, to meet the targets of 4% and 3% respectively.

68. During the financial year 2025-26, CSL has conducted various Vendor Development Programmes (VDPs) for MSEs including SC/ ST and women in association with MSME DFO, Thrissur, National Small Industries Corporation (NSIC), Kochi and agencies like The Coimbatore District Small Scale Industries Association (CODISSIA), The Society of Indian Defence Manufacturers (SIDM), The Confederation of Indian Industry (CII), Kochi , The Kerala State Small Industries Association (KSSiA), Ernakulam, India Boat & Marine Show (IBMS), Kochi etc. The details of such programmes conducted and participated during 2025-26 are given below:

(i) 3 Days MSME Expo and B2B meetings conducted at Coimbatore during May 14 to 16, 2025, in association with CODISSIA, Coimbatore. Around 205 MSMEs including SC/ ST and women entrepreneurs visited CSL exhibition stall and had interactions with CSL officials on business opportunities in shipbuilding, ship repair and general requirements of CSL;

(ii) VDP and B2B meetings for the MSMEs of Kerala, conducted at Thrissur on August 28, 2025, in association with MSME Development and Facilitation Office, Thrissur. More than 150 MSMEs including SC/ ST and women owned firms attended the VDP session and interacted with CSL officials on business possibilities with CSL for ship building/ repair/ general material and service requirements of CSL.

(iii) CSL conducted a vendor awareness programme in the exclusive 'Regional Defence MSME conclave' organised by The Society of Indian Defence Manufacturers (SIDM) and CII, Ernakulam at Hotel Le Meridien, Kochi on December 18, 2025. There was a participation of around 50 MSMEs including SC/ ST and women category. All Govt./ Defence/ Private shipyards as well as Armed Forces, DRDO etc. had attended the conclave and this was an opportunity to understand the good practices followed by the Defence organisations and the peer ship building industries as well.

(iv) CSL participated in the 3-days Industrial Expo IIIE 2026 and B2B meetings organised by The Kerala State Small Industries Association (KSSiA), Ernakulam under the guidance of Industries Department, Govt. of Kerala at Adlux Convention Centre, Angamaly, Ernakulam during January 16 to 18, 2026. More than 100 MSMEs visited CSL exhibition stall and few of them had detailed interactions with CSL team on business opportunities.

(v) In association with NSIC Kochi, CSL conducted vendor development programme for MSMEs during India Boat & Marine Show (IBMS) held at Kochi during January 29 to 31, 2026. There was significant participation and B2B meetings with many new suppliers for the smaller vessels/ boat segment.

69. Consequent to the VDPs and exposure visits, many suppliers have started participating in CSL GeM tenders. Around 15 new MSMEs on pan India basis have onboarded through CSL's online supplier registration portal and the application from 15 more firms are under final stages of enlistment.

70. Other initiatives include periodic updation of CSL website with MSME related information beneficial for the vendors, uploading of procurement data, payment data and other relevant information as per directives of the Ministry of Micro, Small & Medium Enterprises (MoMSME) in the 'MSME SAMBANDH' and 'MSME SAMADHAAN' portals etc. CSL is promoting payments through the TReDS platform and around 300 MSME vendors have already onboarded onto the TReDS portal and many are utilising the facility.

71. During the financial year 2025-26, CSL ensured prompt payment to MSEs within the stipulated timelines prescribed under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006. No invoices from MSEs remained outstanding or were paid beyond the prescribed timelines during the year.

Other Information

72. The details regarding the Company's CSR activities, environment protection and conservation initiatives, technology absorption and upgradation efforts, forays into renewable energy, foreign exchange conservation etc., are provided in the Directors' Report and the Annexure thereon.

Cautionary statement

73. Statement in this 'Management Discussion and Analysis Report' describing the objectives, expectations, assumptions or predictions of the Company may be forward-looking statements within the meaning of applicable rules and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the operations of the Company include economic conditions affecting demand/ supply, price conditions in the domestic and international markets, Government policies and regulations, statutes and other incidental factors.

For and on behalf of the Board of Directors

Jose V J
Director (Finance) & CMD (Addl. Charge)
DIN: 08444440

Kochi
May 15, 2026

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L63032KL1972GOI002414
2	Name of the Listed Entity	Cochin Shipyard Limited
3	Year of incorporation	1972
4	Registered office address	Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi – 682015, Kerala, India
5	Corporate address	Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi – 682015, Kerala, India
6	E-mail	secretary@cochinshipyard.in
7	Telephone	+91 484 2501306
8	Website	www.cochinshipyard.in
9	Financial year for which reporting is being done	April 01, 2025 to March 31, 2026
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹1,31,54,03,900
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Syamkamal N Tel: +91 484 2501306 E-mail: secretary@cochinshipyard.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone
14	Name of assurance provider	Sustainability Actions Private Limited
15	Type of assurance obtained	Reasonable assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover)

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Ship Building	61.55
2.	Service	Ship Repair	38.45

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Ship Building	301	61.55
2.	Ship Repair	331	38.45

III. Operations

18. Number of locations where plants and/ or operations/ offices of the entity are situated:

Sl. No.	Location	Number of plants	Number of offices	Total
1	National	5	0	5
2	International	0	0	0

19. Markets served by the entity:

a. Number of locations

Sl. No.	Locations	Number
1	National (No. of states)(1)	11
2	International (No. of countries)(2)	11

(1) Due to the inherent nature of our business of ship building/ship repair, the Company generally caters to the requirements of the Country's coastal states and states having national waterways as well as Country's defence requirements. The data disclosed includes 9 coastal states and the 2 islands viz., Lakshadweep and Andaman & Nicobar Islands.

(2)The Company has provided its services across the world viz., Norway, Netherlands, Cyprus, USA, Germany, Bahamas, Saudi Arabia, UAE, Liberia, UK and France.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

25.67%

c. A brief on types of customers

Cochin Shipyard Limited (CSL) is a key player in the domestic and international ship building market. Our key shipbuilding clients on the domestic front include the Indian Navy, Ministry of Home Affairs, Dredging Corporation of India Limited, various Ports, Inland Waterways Authority of India (IWAI) and A&N Administration. On the international front, CSL has exported 48 vessels to some of the most demanding clients in Norway, Netherlands, Cyprus, USA, Germany, Bahamas, Saudi Arabia, UAE and Liberia. CSL has also undertaken repairs of various types of vessels including upgradation of ships of the oil exploration industry as well as periodical maintenance, repairs and life extension of ships. Major Ship Repair customers include Indian Navy, Coast Guard, Shipping Corporation of India Limited, Dredging Corporation of India Limited, Oil and Natural Gas Corporation, Directorate of Shipping Services, Union Territory of Lakshadweep Administration, Defence Research and Development Organisation, Fisheries Survey of India, Cochin Port Trust, National Institute of Ocean Technology, Kolkata Port Trust, JSW Shipping & Logistics Private Limited, HAL Offshore, Seamec Limited etc.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total(A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
	Employees					
1	Permanent (D)	798	703	88.10	95	11.90
2	Other than Permanent (E)	246	189	76.83	57	23.17
3	**Total employees (D+E)**	**1044**	**892**	**85.44**	**152**	**14.56**
	Workers					
4	Permanent (F)	1333	1212	90.92	121	9.08
5	Other than Permanent (G)	1636	1529	93.46	107	6.54
6	**Total workers (F+G)**	**2969**	**2741**	**92.32**	**228**	**7.68**

b. **Differently abled Employees and workers:**

Sl. No.	Particulars	Total(A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
	Differently-abled Employees					
1	Permanent (D)	16	15	93.75	1	6.25
2	Other than Permanent (E)	0	0	0.00	0	0.00
3	**Total differently abled employees (D+E)**	**16**	**15**	**93.75**	**1**	**6.25**
	Differently-abled Workers					
4	Permanent (F)	32	28	87.50	4	12.50
5	Other than Permanent (G)	12	11	91.67	1	8.33
6	**Total differently abled workers (F+G)**	**44**	**39**	**88.64**	**5**	**11.36**

21. Participation/ Inclusion/ Representation of women:

Particulars	Total(A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	1	16.67
Key Management Personnel	4	0	0

Note: The sanctioned strength of CSL's Board is 12 Directors. However as on March 31, 2026 there were 6 Directors on the Board. The full details w.r.t Board composition and changes therein is given in the Corporate Governance Report forming part of the Annual Report.

22. Turnover rate for permanent employees and workers:

Particulars	FY 2026			FY 2025			FY 2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.13	2.16	3.89	4.13	1.18	3.75	5.63	2.65	5.27
Permanent Workers	1.74	1.61	1.73	0.90	3.83	1.16	1.27	0.78	1.22

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. a. Names of holding/ subsidiary/ associate companies/ joint ventures

Sl. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Hooghly Cochin Shipyard Limited	Subsidiary	100	No
2.	Udupi Cochin Shipyard Limited	Subsidiary	100	No

VI. CSR Details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

ii. Turnover (in ₹) : 4,307.69 Crores

iii. Net worth (in ₹) : 5,892.83 Crores

VII. Transparency and Disclosures Compliances

25. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2026			FY 2025		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://cochinshipyard.in/uploads/User-Manual-Grievance-Registration.pdf	8	0	-	8	0	-
Investors (other than shareholders)	Yes, https://cochinshipyard.in/uploads/User-Manual-Grievance-Registration.pdf	0	0	-	0	0	-
Shareholders	Yes, https://cochinshipyard.in/uploads/User-Manual-Grievance-Registration.pdf	23	0	-	35	0	-
Employees and workers	Yes, https://cochinshipyard.in/uploads/User-Manual-Grievance-Registration.pdf	2	2	*	3	1	**
Customers	Yes, https://cochinshipyard.in/uploads/User-Manual-Grievance-Registration.pdf	0	0	-	0	0	-
Value Chain Partners	Yes, https://cochinshipyard.in/uploads/User-Manual-Grievance-Registration.pdf	4	2	#	2	1	#

Note: The complaints by employees and workers are related to sexual harassment.

*CSL's Internal Complaints Committee is examining the matter. ** CSL's Internal Complaints Committee has examined the pending complaint and disposed it during FY 2026.

#One complaint each pending resolution in FY 2025 and 2026 relates to non-receipt of payment. The delay in payment is due to additional works carried out on account of changes in design, which require detailed examination and verification by multiple parties to ensure that the claim are settled in a fair, accurate, and transparent manner. Both the cases are in the final stages of processing. The second complaint pending resolution in FY 2026 relates to deduction of LD after extension of the date of delivery and has been closed.

26. Overview of the entity's material responsible business conduct issues

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Risk	Majority of the ship building projects undertaken by CSL are fuelled by fossil fuels. The increasing awareness of climate change across the globe will reduce the demand for such vessels and affect the operations of CSL.	CSL has embarked on Green Shipping initiatives. CSL has already built and delivered India's first indigenously built Hydrogen Fuel Cell Catamaran Vessel. Further, CSL has also built and delivered 2 Autonomous Electric Vessels for ASKO Maritime AS, Norway. The 67 Mtr. Long vessels were delivered as Full-Electric Transport Ferries powered by 1846 kWh capacity battery. CSL has built and delivered 20 out of 23 Hybrid Electric Catamaran Hull Vessels for the Kochi Water Metro Project, which is one of its kind, modern, technologically advanced, energy efficient and environment friendly vessel. CSL has built and delivered 3 out of 8 Hybrid Electric Catamaran Passenger Vessels for Inland Waterways Authority of India. Further, CSL is also building 2 60T Bollard Pull Green Tugs for Polestar Maritime Limited and 2 Commissioning Service Operation Vessels, 2 Zero Emission Feeder Container Vessels, 2 Hybrid Service Operation Vessels and 4 70T Bollard Pull Electric TRAnsverse Tugs for various European clients. Further, as part of CSL's carbon emission reduction initiatives, CSL has implemented a Microalgae-Based Liquid Tree System. Microalgae are highly efficient photosynthetic organisms capable of absorbing carbon dioxide and releasing oxygen at significantly higher rates than conventional plants. CSL successfully installed five Liquid Tree units of various capacities across its premises.	Negative implication

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Climate Change	Opportunity	Increase in demand for zero emission vessels	Aligned with the global shift towards maritime green transitions, the Company has developed and built India's first indigenous Hydrogen Fuel Cell Catamaran Vessel, a pioneering project funded by the Ministry of Ports, Shipping and Waterways (MoPSW). This pilot project, based on Low Temperature Proton Exchange Membrane (LT-PEM) technology - also known as Fuel Cell Electric Vessel (FCEV) was spearheaded by CSL's C-SAS division in collaboration with KPIT Technologies Limited, which handled the technological aspects of the design, development, and construction. This initiative is part of India's broader efforts to embrace innovative, sustainable, and cost-effective alternative fuel technologies. The project was executed in collaboration with Indian partners. The Ministry of Ports, Shipping and Waterways has already initiated several measures towards this objective, with CSL leading the charge in Green Shipping initiatives to reduce marine pollution. As part of these green initiatives, CSL is constructing 23 Hybrid Electric Catamaran Hull Vessels for the Kochi Water Metro Project. This project represents a modern, technologically advanced, energy-efficient, and environmentally friendly solution that will enhance the urban water transport system, providing seamless transportation for Kochi's citizens. Further, CSL is also building 8 Hybrid Electric Catamaran Passenger Vessels for Inland Waterways Authority of India and 2 60T Bollard Pull Green Tugs for Polestar Maritime Limited. CSL's dedication to green initiatives is further evidenced by its delivery of two Autonomous Electric Vessels to ASKO Maritime AS, Norway. Additionally, CSL is building two Commissioning Service Operation Vessels, two Zero Emission Feeder Container Vessels, two Hybrid Service Operation Vessels and 4 70T Bollard Pull Electric TRAnsverse Tugs for various European clients.	Positive implication

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Policy and Management Processes

1. a. **Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

b. **Has the policy been approved by the Board? (Yes/No)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

The Policies have been approved by the Board/ relevant Competent Authority as per the delegated powers of the Board.

c. **Web Link of the Policies, if available**

P1	P2	P3	P4	P5	P6	P7	P8	P9
https://cochinshipyard.in/uploads/investor/f8bf429757a74ee34c81b4f67dd385ce.pdf								

Note: In addition to the above, the following policies are also aligned against the respective BRSR Principles:

Sl. No.	Policy	Relevant Principle	Web Link of the Policy
1.	Whistle Blower and Fraud Prevention Policy	P1	https://cochinshipyard.in/uploads/investor/7b64df4642395c5609f8ea0f4f0dec26.pdf
2.	Sustainability Policy	P2, P4 & P6	https://cochinshipyard.in/uploads/investor/8faab93b3e3f34af97dd3854e39bc8ce.pdf
3.	Quality, Health, Safety and Environmental Policy	P2, P3, P4, P6 & P9	https://cochinshipyard.in/uploads/FTPStaging/HOME-QHSE/QHSEPolicy.pdf
4.	Equal Opportunity Policy for Persons with Disabilities	P3	https://cochinshipyard.in/uploads/investor/8009bc0d97f36b9a8c0cff9bb121c072.pdf
5.	Grievance Redressal Policy and Procedure	P4	https://cochinshipyard.in/uploads/User-Manual-Grievance-Registration.pdf
6.	Human Rights Policy	P5	https://cochinshipyard.in/uploads/investor/7de7f3e4c28dcfc12f29d503944bf190.pdf
7.	Water Policy	P6	https://cochinshipyard.in/uploads/investor/4e8386df5cdf1fdfd157c746c4d4a4fa.pdf
8.	Energy Policy	P6	https://cochinshipyard.in/uploads/investor/4d3e92562eb01a1b215b5fe1931290dd.pdf

2. **Whether the entity has translated the policy into procedures. (Yes/No)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes

3. **Do the enlisted policies extend to your value chain partners? (Yes/No)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

4. **Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**

P1	The ISO/IEC 27001:2022 standard for Information Security Management Systems (ISMS) and ISO 9001:2015 standard for Quality Management System.
P2	ISO 9001:2015 standard for Quality Management System, ISO 14001:2015 standard for Environmental Management System and ISO 50001:2018 standard for Energy Management System (EnMS) Certification.
P3	ISO 45001:2018 standard for Health and Safety Management System.
P4	ISO 9001:2015 standard for Quality Management System, ISO 45001:2018 standard for Health and Safety Management System and ISO/IEC 27001:2022 standard for ISMS.
P5	ISO 45001:2018 standard for Health and Safety Management System.
P6	ISO 14001:2015 standard for Environmental Management System, ISO 50001:2018 standard for EnMS Certification and GreenCo Gold Rating by Confederation of Indian Industry (CII).
P7	Nil.
P8	ISO 14001:2015 standard for Environmental Management System and ISO 45001:2018 standard for Health and Safety Management System.
P9	ISO 9001:2015 standard for Quality Management System and ISO/IEC 27001:2022 standard for ISMS.

5. **Specific commitments, goals and targets set by the entity with defined timelines, if any.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Nil	Nil	Nil	Nil	Nil	Refer Note below	Nil	Nil	Nil

Note: CSL is planning to expand the renewable energy capacity by way of rooftop solar installations in CSL to 4,000 kWp in a phased manner. The said expansion is expected to be completed by December 2028. CSL is currently having an installed capacity of 2,422 kWp.

As part of the green energy transition, it has been decided to implement a Battery Energy Storage System (BESS) in a phased manner. The BESS will be charged through the purchase of low-cost renewable power from the Green Day Ahead Market (GDAM) and the surplus solar generation whenever available. The stored energy will be used during peak tariff periods. It is planned to complete the implementation of the first phase of BESS by December 2027. Upon commissioning of the project, CSL expects to meet approximately 60-70% of its energy requirements through green energy sources.

6. **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Nil	Nil	Nil	Nil	Nil	Refer Note below	Nil	Nil	Nil

Note: Earlier, CSL had planned to operate entirely on green energy by implementing a wind-solar hybrid power plant with a total capacity of approximately 14 MW. However, the project could not be taken forward due to factors such as high overall cost, land availability & associated risks, logistical constraints in transporting wind turbine generators, lower-than-required wind speeds affecting the Capacity Utilization Factor (CUF) and the additional cost of power evacuation infrastructure. As an alternative, it is proposed to install a Battery Energy Storage System (BESS) at CSL to enhance the utilization of renewable energy and increase the share of green power consumption.

In case of expanding the renewable energy capacity by way of rooftop solar installations in CSL, the Company has already expanded its capacity to 2422 kWp. In the case of Battery Energy Storage System (BESS), CSL is in the initial stages of its implementation process.

Governance, Leadership & Oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**

   CSL is committed to addressing the Environmental, Social and Governance (ESG) challenges facing the industry and aligning with India's goal of achieving carbon neutrality by 2070. As a CPSU under the Ministry of Ports, Shipping and Waterways, CSL has taken significant steps to contribute to sustainable development.

   CSL is advancing sustainable maritime solutions through various initiatives. We have delivered India's first Hydrogen Fuel Cell Catamaran Vessel to the Inland Waterways Authority of India (IWAI) and have so far delivered 20 out of 23 Hybrid Electric Catamaran Hull Vessels for the Kochi Water Metro Project. Additionally, we have delivered two Autonomous Electric Vessels to Norway and are currently constructing vessels for European clients, including Commissioning Service Operation Vessels, Zero Emission Feeder Container Vessels, Hybrid Service Operation Vessels and 70T Bollard Pull Electric TRAnsverse Tugs. Furthermore, we are building two 60T Bollard Pull Green Tugs for Polestar Maritime Limited and eight Hybrid Electric Catamaran Hull Vessels for IWAI, of which three vessels for IWAI have already been delivered. All these vessels are designed for electric propulsion, reducing their environmental impact.

   CSL had originally planned to meet its energy needs through a 14 MW wind-solar hybrid power plant and operate entirely on green energy. However, the project was not pursued due to high costs, land and logistical challenges, inadequate wind speeds, delays in wind turbine delivery, and additional power evacuation infrastructure requirements.

   In our commitment to renewable energy, CSL is expanding its rooftop solar installations to 4,000 kWp in a phased manner and has also decided to implement a Battery Energy Storage System (BESS) to enhance the utilization of renewable energy and increase the share of green power consumption.

   As part of CSL's commitment to Environmental initiatives, CSL has implemented a Microalgae-Based Liquid Tree System aimed at enhancing environmental sustainability and supporting carbon emission reduction initiatives. Microalgae are highly efficient photosynthetic organisms capable of absorbing carbon dioxide and releasing oxygen at significantly higher rates than conventional plants. CSL successfully installed five Liquid Tree units of various capacities across its premises.

   These efforts reflect CSL's dedication to sustainable practices and our role in driving the maritime industry's green transition.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**

   Shri Jose V J (DIN: 08444440), Director (Finance) & Chairman and Managing Director (Additional Charge).

9. **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details.**

   Yes, Shri Jose V J (DIN: 08444440), Director (Finance) & Chairman and Managing Director (Additional Charge) is the decision making authority with regard to sustainability related issues.

10. Details of Review of NGRBCs by the Company

<table>
<tr><th>Particulars</th><th>Principles</th><th>Performance against above policies and follow up action</th><th>Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances</th></tr>
<tr><td rowspan="9">Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</td><td>P1</td><td rowspan="18">The policies pertaining to the BRSR Principles are reviewed annually by the Chairman and Managing Director.
The ISO certifications are reviewed annually by the external agencies through surveillance audit. Further the conformity with the standards for ISO certifications are reviewed internally at regular intervals by a team of officers designated for the purpose. The outcomes of such review are circulated to the Heads of Departments for corrective action, if any. Thereafter the status of compliance are reviewed at the Management Review Meeting in the presence of Directors and Senior Management.
The compliance with the GreenCo Rating Standards are reviewed internally by CSL on an annual basis. The report in the prescribed format are forwarded to the certifying agency for review and appropriate action.</td><td rowspan="9">CSL is in compliance with the extant regulations as applicable.</td></tr>
<tr><td>P2</td></tr>
<tr><td>P3</td></tr>
<tr><td>P4</td></tr>
<tr><td>P5</td></tr>
<tr><td>P6</td></tr>
<tr><td>P7</td></tr>
<tr><td>P8</td></tr>
<tr><td>P9</td></tr>
<tr><td rowspan="9">Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</td><td>P1</td><td rowspan="9">A Statutory Compliance Certificate on applicable laws is provided by the Chairman & Managing Director and Director (Finance) on a quarterly basis to the Board of Directors.</td></tr>
<tr><td>P2</td></tr>
<tr><td>P3</td></tr>
<tr><td>P4</td></tr>
<tr><td>P5</td></tr>
<tr><td>P6</td></tr>
<tr><td>P7</td></tr>
<tr><td>P8</td></tr>
<tr><td>P9</td></tr>
</table>

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.

P1	Yes, ISO/IEC 27001:2022 standard for Information Security Management Systems (ISMS) and ISO 9001:2015 standard for Quality Management System are evaluated by DNV on an annual basis.
P2	Yes, ISO 9001:2015 standard for Quality Management System, ISO 14001:2015 standard for Environmental Management System and ISO 50001:2018 standard for Energy Management System (EnMS) Certification are evaluated by DNV on an annual basis.
P3	Yes, ISO 45001:2018 standard for Health and Safety Management System is evaluated by DNV on an annual basis.
P4	Yes, ISO 9001:2015 standard for Quality Management System, ISO 45001:2018 standard for Health and Safety Management System and ISO/IEC 27001:2022 standard for ISMS are evaluated by DNV on an annual basis.
P5	Yes, ISO 45001:2018 standard for Health and Safety Management System is evaluated by DNV on an annual basis.
P6	Yes, ISO 14001:2015 standard for Environmental Management System and ISO 50001:2018 standard for Energy Management System are evaluated by DNV on an annual basis.
P7	No.
P8	Yes, ISO 14001:2015 standard for Environmental Management System and ISO 45001:2018 standard for Health and Safety Management System are evaluated by DNV on an annual basis.
P9	Yes, ISO 9001:2015 standard for Quality Management System and ISO/IEC 27001:2022 standard for ISMS are evaluated by DNV on an annual basis.

Note: Except as listed above, no other policies aligned with BRSR Principles are independently assessed or evaluated by an external agency.

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable since the answer to the question no. 1 is Yes with respect to all nine principles.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

1 Principle

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year**

Category	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact*	% of persons in respective category covered by the awareness programmes
Board of Directors	6	Principle 1, 2 & 3	36.36
Key Managerial Personnel	10	Principle 1, 2, 3, 5 & 8	71.43
Employees other than BoD and KMPs	228	Principle 1, 2, 3, 5 & 6	100.00
Workers	102	Principle 1, 2, 3, 5 & 6	100.00

*The training and awareness programmes conducted during the financial year across various categories of employees, workers and Key Managerial Personnel contributed towards strengthening CSL's alignment with all the applicable principles of the National Guidelines on Responsible Business Conduct (NGRBC) and the BRSR framework. The programmes enhanced organisational capability in the areas of ethical governance, sustainability, employee well-being, human rights, environmental protection and inclusive growth.

Note: All the employees and workers of CSL were part of Vigilance Awareness Week observed during October 27 to November 02, 2025.

2. **Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
Particulars	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	1	BSE & NSE	32,20,220 each (including GST @ 18%)	Non-compliance with respect to the composition of the Board of Directors and the constitution of statutory committees, along with related non-compliances under the SEBI (Listing Obligations and Disclosure Requirements) Regulations.*	No*
Settlement	Nil	Nil	Nil	Nil	Not applicable
Compounding Fee	Nil	Nil	Nil	Nil	Not applicable

*CSL, being a CPSE, the power to appoint Directors vests with the Government of India and the Company has forwarded appropriate requests to the Government of India for filling up the vacancies of Independent Directors including a Woman Director. Consequently, the Ministry of Ports, Shipping & Waterways, Government of India vide their letter No. SY-11012/1/2016-CSL dated May 20, 2025, appointed Smt. Seema Suri (DIN: 11117145) as a Non-official (Independent) Director on the Board of CSL. Following her induction, the Company re-constituted the Stakeholders Relationship Committee and the Risk Management Committee in line with the SEBI LODR Regulations on June 01, 2025. In view of the fact that the said non-compliances were neither due to the negligence/ default by the Company nor within the control of the management of the Company, BSE and NSE have waived the fines imposed under Regulations 17(2A), 20 and 21 of the SEBI LODR Regulations upon submission of waiver request by the Company. The appointment of the remaining five Independent Directors is awaited from the Government of India. It has been informed that since achieving compliance is a pre-requisite for applying for a waiver of fines, appropriate requests for waiver of fines imposed w.r.t Regulations 17(1), 18 and 19 of the SEBI LODR Regulations will be filed with the stock exchanges as per the extant Policy for Exemption of Fines, upon appointment of the remaining Independent Directors by the Government of India.

Non-Monetary				
Particulars	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil	Nil	Nil	Not applicable
Punishment	Nil	Nil	Nil	Not applicable

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed**

Sl. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil	Nil

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. CSL has a Fraud Prevention and Whistle Blower Policy to prevent any fraud and corrupt practices. The policy can be accessed from the following weblink. https://cochinshipyard.in/uploads/WHISTLEBLOWERPOLICY/aa6caa3b6be9d4b69c94332c795fa246.pdf

Further, the Vigilance Department of Cochin Shipyard Limited performs various activities with regard to preventive and pro-active vigilance, undertakes investigation in cases related to punitive vigilance and conducts surveillance and detection initiatives. Vigilance department strives to ensure transparency, equity and competitiveness in all procurement. Important CVC guidelines are discussed with Heads of Departments for its strict compliance. For more details, please refer to the following web-link. https://cochinshipyard.in/Vigilance/integrity-pact

5. **Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

Category	FY 2026	FY 2025
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest**

Particulars	FY 2026		FY 2025	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. **Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable, as we do not have any instances of corruption/ conflicts of interest against Directors and KMPs.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/ services procured) in the following format**

Particulars	FY 2026	FY 2025
Number of days of accounts payables	179	54

Note: Data for FY 2025 has been restated since Trade Payables for Capital Goods were regrouped to 'Other Financial Liabilities' in the current year.

9. **Openness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2026	FY 2025
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	19.68	46.79
	b. Number of trading houses where purchases are made from	989	973*
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	35.86	75.75
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	Nil	Nil
	b. Number of dealers/ distributors to whom sales are made	N.A.	N.A.
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	N.A.	N.A.

Parameter	Metrics	FY 2026	FY 2025
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases) (In %)	0.83	0.84
	b. Sales (Sales to related parties/ Total Sales) (In %)	0.01	0.00
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances) (In %)	39.18	42.93
	d. Investments (Investments in related parties/ Total Investments made) (In %)	99.95	99.95

*The previous year's figure has been restated based on the number of unique trading house vendors, in place of the number of purchase orders issued, to align with the methodology adopted for the current year.

Note: The purchases from trading houses is calculated based on the orders placed during the respective financial year.

2 Principle

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

Particulars	FY 2026	FY 2025	Details of improvements in environmental and social impacts
R&D	20.45%	36.86%	Green shipping initiatives expected to result in reduction of emissions.
Capex	0.21%	0.18%	Considerable energy savings achieved.

2. a. **Does the entity have procedures in place for sustainable sourcing?**

   Yes.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   100 percent.

   The Company has been following approved criteria for the selection of vendors to ensure sustainable sourcing which inter alia includes vendors having ISO 9000 certification, vendors approved by regulatory bodies, various authorized dealers of the manufacturer, ability to provide materials as per laid down specification and other requirements, and the ability to supply materials as per stipulated delivery period. Annual evaluation of the orders placed on a vendor is completed to decide the average performance. A vendor is removed/ suspended from approved vendor list based on their average performance over the period of evaluation. Vendors list is reviewed and updated once in a year.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

   Cochin Shipyard Limited (CSL) is primarily engaged in shipbuilding and ship repair. The nature of its business does not involve the production of consumer goods or equipment that return to the manufacturer at the end of their life cycle. Instead, the ships built by CSL are owned, operated, and ultimately decommissioned by customers through authorised ship recycling facilities in compliance with applicable national and international regulations, including the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships.

Given this industry-specific context, CSL does not directly reclaim or recycle its products after delivery and, therefore, the end-of-life product reclamation processes under this disclosure is not applicable to CSL.

However, as part of its own operational responsibility, the Company ensures safe and compliant disposal of various categories of waste generated during construction and repair activities through government-approved external agencies.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No. Extended Producer Responsibility (EPR) is not applicable to CSL.

3 Principle

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities*	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent employees											
Male	703	703	100.00	703	100.00	N.A.	N.A.	703	100.00	0	0.00
Female	95	95	100.00	95	100.00	95	100.00	N.A.	N.A.	92	96.84
Total	**798**	**798**	**100.00**	**798**	**100.00**	**95**	**100.00**	**703**	**100.00**	**92**	**11.53**
Other than Permanent employees											
Male	189	189	100.00	189	100.00	N.A.	N.A.	0	0.00	0	0.00
Female	57	57	100.00	57	100.00	57	100.00	N.A.	N.A.	55	96.49
Total	**246**	**246**	**100.00**	**246**	**100.00**	**57**	**100.00**	**0**	**0.00**	**55**	**22.36**

* Day care facility is extended only to the female employees in Kochi Unit of CSL. The day care facility is not feasible in other Units of CSL considering the negligible number of women employees.

b. **Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities*	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent workers											
Male	1212	1212	100.00	1212	100.00	N.A.	N.A.	1212	100.00	0	0.00
Female	121	121	100.00	121	100.00	121	100.00	N.A.	N.A.	113	93.39
Total	**1333**	**1333**	**100.00**	**1333**	**100.00**	**121**	**100.00**	**1212**	**100.00**	**113**	**8.48**
Other than Permanent employees											
Male	1529	1529	100.00	1529	100.00	N.A.	N.A.	0	0.00	0	0.00
Female	107	107	100.00	107	100.00	107	100.00	N.A.	N.A.	105	98.13
Total	**1636**	**1636**	**100.00**	**1636**	**100.00**	**107**	**100.00**	**0**	**0.00**	**105**	**6.42**

* Day care facility is extended only to the female employees in Kochi Unit of CSL. The day care facility is not feasible in other Units of CSL considering the negligible number of women employees.

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

Particulars	FY 2026	FY 2025
Cost incurred on wellbeing measures as a % of total revenue of the company	1.09	0.90*

*FY 2025 data has been restated to align with the reporting methodology used for FY 2026.

2. Details of retirement benefits, for Current FY and Previous FY

S. No	Benefits	FY 2026			FY 2025		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100.00	100.00	Yes	100.00	100.00	Yes
2	Gratuity	100.00	100.00	N.A.	100.00	100.00	N.A.
3	ESI	0.00	0.00	N.A.	0.00	0.00	N.A.
4	Insurance Linked Post Retirement Medical Scheme	100.00	100.00	Yes	100.00	100.00	Yes
5	Superannuation Pension Scheme	100.00	100.00	N.A.	100.00	100.00	N.A.

3. Accessibility of workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes.

Weblink: https://cochinshipyard.in/uploads/investor/8009bc0d97f36b9a8c0cff9bb121c072.pdf

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00	85.71	96.92	98.57
Female	100.00	Not Applicable*	71.43	100.00
Total	**100.00**	**85.71**	**94.44**	**98.63**

* Retention rate determines who returned to work after parental leave ended and were still employed 12 months later. None of the permanent female employees of CSL took maternity leave during FY 2024-25. Hence, retention rate is not applicable for FY 2025-26.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, CSL has a 5 stage grievance redressal mechanism, beginning from the reporting officer at the first stage till the CMD of the Company at the fifth stage with specific timelines at each stage to resolve the grievance. The detailed framework of this mechanism is available in CSL intranet.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	FY 2026			FY 2025		
	Total employees/ workers in respective category(A)	No. of employees/ workers in respective category, who are part of association(s) or Union(B)	% (B/A)	Total employees/ workers in respective category(C)	No. of employees/ workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees	**798**	**798**	**100.00**	**695**	**695**	**100.00**
Male	703	703	100.00	605	605	100.00
Female	95	95	100.00	90	90	100.00
Total Permanent Workers	**1333**	**1333**	**100.00**	**1445**	**1445**	**100.00**
Male	1212	1212	100.00	1317	1317	100.00
Female	121	121	100.00	128	128	100.00

8. **Details of training given to employees and workers:**

Category	FY 2026					FY 2025				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No.(B)	% B/A	No.(C)	% C/A		No.(E)	% E/D	No.(F)	% F/D
Employees										
Male	892	490	54.93	616	69.06	757	269	35.54	402	53.10
Female	152	71	46.71	84	55.26	137	34	24.82	62	45.26
Total	**1044**	**561**	**53.74**	**700**	**67.05**	**894**	**303**	**33.89**	**464**	**51.90**
Workers										
Male	2741	1831	66.80	369	13.46	2470	210	8.50	483	19.55
Female	228	144	63.16	72	31.58	177	26	14.69	47	26.55
Total	**2969**	**1975**	**66.52**	**441**	**14.85**	**2647**	**236**	**8.92**	**530**	**20.02**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2026			FY 2025		
	Total (A)	No.(B)	% B/A	Total (C)	No.(D)*	% D/C*
Employees						
Male	892	703	78.81	757	605	79.92
Female	152	95	62.50	137	90	65.69
Total	**1044**	**798**	**76.44**	**894**	**695**	**77.74**
Workers						
Male	2741	1212	44.22	2470	1317	53.32
Female	228	121	53.07	177	128	72.32
Total	**2969**	**1333**	**44.90**	**2647**	**1445**	**54.59**

Note: Regular performance and career development reviews are not undertaken for temporary employees and workers.
*Accordingly, the data for FY 2025 have been restated.

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, CSL is certified to ISO 45001:2018 Health and Safety Management System standard for the main facility at Kochi.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Hazard Identification and Risk Assessment (HIRA) is the tool used by Cochin Shipyard Limited to identify and assess hazards and risks associated with both routine and non-routine work activities carried out in the yard. The process involves listing all activities and evaluating each activity through the HIRA worksheet.

The HIRA worksheet adopts a quantitative approach for risk calculation and prioritisation of activities into Low, Medium, and High-risk categories based on the risk value. Control measures for mitigating risks and reducing risk levels from High and Medium to Low are incorporated in the Standard Operating Procedures (SOPs) and Operational Control Procedures linked to each activity.

Job Safety Analysis (JSA) shall be carried out for all non-routine jobs by the executing agency in coordination with the concerned CSL executing officer. The JSA shall also be reviewed and discussed with the Safety Team for finalisation. The approved JSA shall be communicated to workers through toolbox talks and properly documented before commencement of the work.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)**

Yes.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, all employees of CSL have access to non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2026	FY 2025
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	1.66	* 1.11
	Workers	8.92	* 5.49
Total recordable work-related injuries	Employees	5	*3
	Workers	200	* 112
No. of fatalities	Employees	0	0
	Workers	1	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	1	0

* The data for FY 2025 has been restated as per the SEBI guidance note on BRSR.

Note: The data in the above table is including the contract workforce.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Cochin Shipyard Limited has established SOPs for various activities, which are reviewed and updated periodically based on operational requirements, incident learnings, statutory changes, and continual improvement initiatives. All revisions are properly documented, and corresponding training materials and communication systems are updated accordingly to ensure effective implementation across the organisation.

The Occupational Health and Safety Management System at CSL, known as the HSE Governance System, promotes a strong and positive safety culture by encouraging employees to consistently follow safe work practices. To reinforce this commitment, employees demonstrating exemplary safety behaviour are recognised and rewarded on a monthly basis and during National Safety Day celebrations.

Each employee group selects a Field Safety Representative (FSR) to support and monitor workplace safety initiatives. In addition, a dedicated Safety and Fire team comprising approximately 250 personnel continuously monitors activities onboard vessels, in workshops, and across skids and operational areas. The team is responsible for issuing work permits wherever required and initiating violation notices whenever unsafe acts or unsafe conditions are observed. Dedicated safety personnel are also deployed by contractors, and clear safety guidelines and responsibilities have been communicated to them.

The commitment of top management towards safety is demonstrated through weekly safety walk-throughs and monthly pep talks conducted at worksites by Section Heads, General Managers and Chief General Managers. These engagements strengthen safety awareness, employee participation and leadership visibility in safety management.

CSL also places significant emphasis on the HSE performance of subcontractors and business partners. Subcontractors are evaluated based on defined HSE performance parameters and are required to strictly comply with CSL's HSE policies, procedures, and standards. CSL works closely with subcontractors by providing necessary guidance, resources, training, and continual feedback to ensure safe execution of work and continuous improvement in HSE performance.

To strengthen contractor safety management, CSL has implemented a structured HSE Star Rating System, which evaluates the annual Health, Safety, and Environment performance of subcontractors. Further, CSL has published an HSE and Sustainability Management Supplier Code of Conduct, establishing clear expectations and responsibilities for suppliers and contractors in alignment with the organisation's safety and sustainability objectives.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2026			FY 2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

Note: The data for FY 2025 has been restated as zero, since the figures reported were not complaints, but the suggestions/ observations reported by the workforce as part of our ongoing efforts to improve and uphold a safe working environment. The suggestions/observations are appropriately addressed through a robust HSE Governance System at CSL. For FY 2025, CSL received 2,444 observations and out of which 130 were pending to be closed as on March 31, 2025. For FY 2026, CSL received 1,522 observations and out of which 347 are pending to be closed as on March 31, 2026.

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Corrective actions will arise from 3 member committee (Committee including concerned officer of that area, Safety committee member of that area and Safety officer of that area) or board of enquiry (members nominated by occupier/ factory manager/ CSO for critical incidents) for safety related incidents. Other corrective actions from HSE observations/ suggestions will be generated by HSE Coordinator/ Safety Officer of particular area.

4 Principle

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholders are identified through the Company's internal assessment process, considering the nature of their relationship with the business and the extent to which they are affected by or can influence the Company's operations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sl. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Project-related calls, e-mails and meetings; project management reviews; top executive meetings and briefings; customer visits; responses to RFPs and other tenders etc. newsletters; brochures	Continuous basis	Shipbuilding and Ship Repair Project execution
2	Shareholders	No	Press releases; email advisories; in-person meetings; investor conference calls etc	Quarterly: Financial results in IndAS; exchange notifications; Continuous: Investors page on the CSL website Annual: Annual General Meeting; Annual Report Earnings call; investor meets on need basis	Helping investors voice their concerns regarding company policies, reporting, strategy, etc. Understanding shareholder expectations
3	Employees	No	Intranet, e-mail and meetings	Continuous basis	Informing about various orders, directives, schemes etc.

Sl. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Academic Institutions	No	Academic and Training Programs; and meetings	As and when needed	Training and development
5	Industry bodies, government and Regulators	No	Conferences and seminars; surveys; and other meetings	As and when needed	Ensure 100% compliance to all applicable laws.
6	NGOs, local communities and society at large	No	Meetings; social media; surveys; and press releases	As and when needed	Execution of CSR project, intimation of important events and happenings.

5 Principle

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2026			FY 2025		
	Total (A)	No. of employees/ workers covered (B)	% B/A	Total (C)	No. of employees/ workers covered (D)	% D/C
Employees						
Permanent	798	45	5.64	695	88	12.66
Other than permanent	246	0	0.00	199	0	0.00
Total	**1044**	**45**	**4.31**	**894**	**88**	**9.84**
Workers						
Permanent	1333	83	6.23	1445	1	0.07
Other than permanent	1636	2	0.12	1202	0	0.00
Total	**2969**	**85**	**2.86**	**2647**	**1**	**0.04**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2026					FY 2025				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% B/A	No.(C)	% C/A		No.(E)	% E/D	No.(F)	% F/D
Employees										
Permanent	**798**	**0**	**0**	**798**	**100**	**695**	**0**	**0**	**695**	**100**

Category	FY 2026					FY 2025				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% B/A	No.(C)	% C/A		No.(E)	% E/D	No.(F)	% F/D
Male	703	0	0	703	100	605	0	0	605	100
Female	95	0	0	95	100	90	0	0	90	100
Other than permanent	**246**	**0**	**0**	**246**	**100**	**199**	**0**	**0**	**199**	**100**
Male	189	0	0	189	100	152	0	0	152	100
Female	57	0	0	57	100	47	0	0	47	100
Workers										
Permanent	**1333**	**0**	**0**	**1333**	**100**	**1445**	**0**	**0**	**1445**	**100**
Male	1212	0	0	1212	100	1317	0	0	1317	100
Female	121	0	0	121	100	128	0	0	128	100
Other than permanent	**1636**	**0**	**0**	**1636**	**100**	**1202**	**0**	**0**	**1202**	**100**
Male	1529	0	0	1529	100	1153	0	0	1153	100
Female	107	0	0	107	100	49	0	0	49	100

3. Details of remuneration/ salary/ wages, in the following format:

a. Median remuneration/ wages:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in ₹ Lakhs)	Number	Median remuneration/ salary/ wages of respective category (in ₹ Lakhs)
Board of Directors (BoD)	6	81.12	0	-
Key Managerial Personnel	7	77.68	0	-
Employees other than BoD and KMP	944	15.06	163	13.60
Workers	2975	4.11	243	5.87

Note: An employee/ worker who has worked for even a day during the financial year is considered and their remuneration is annualised for calculating the median.

b. Gross wages paid to females as % of total wages paid by the entity:

Particulars	FY 2026	FY 2025
Gross wages paid to females as % of total wages	10.03	9.18

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No)

Yes.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

CSL's commitment to human rights is incorporated in its Human Rights Policy, which explicitly addresses adherence to human rights principles. The Human Rights Policy of CSL can be accessed from the following weblink: https://cochinshipyard.in/uploads/investor/7de7f3e4c28dcfc12f29d503944bf190.pdf

Further, CSL has established comprehensive human resource policies that address all aspects of human rights for its employees and those associated with its operations. The Company is committed to upholding the dignity of women employees and is providing various awareness sessions to its employees to protect against sexual harassment in the workplace, including mechanisms for prevention and redressal. CSL has Internal Complaints Committee dedicated to redress the complaints related to sexual harassment of women at workplace.

CSL ensures compliance with human rights practices across all subsidiaries and stakeholders. The grievance redressal system is overseen by a Whole Time Director, ensuring that complaints related to integrity, fairness, and transparency are addressed promptly. A dedicated grievance portal is available for reporting issues, accessible at CSL Grievance Portal (https://cochinshipyard.in/grievance-cell).

6. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2026			FY 2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	2	CSL's Internal Complaints Committee is examining the matter.	3	1	CSL's Internal Complaints Committee has examined the pending complaint and disposed it during FY 2026.
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2026	FY 2025
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	3
Complaints on POSH as a % of female employees/ workers	0.58	0.97
Complaints on POSH upheld	1*	2

*One complaint upheld during FY 2026 pertains to the complaint received in FY 2025.

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Concerns on discrimination and harassment are dealt with confidentially. CSL does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/ No)**

Yes.

10. **Assessments for the year**

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100
Forced Labour/ Involuntary Labour	100
Sexual Harassment	100
Discrimination at Workplace	100
Wages	100

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not applicable, as we have not come across any significant concerns at our facilities.

6 Principle

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2026	FY 2025
Energy Consumption from renewable sources (in GJ)		
Total electricity consumption (A)	44765.63	23078.04
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	**44765.63**	**23078.04**
Energy Consumption from non-renewable sources (in GJ)		
Total electricity consumption (D)	107756.61	142298.17
Total fuel consumption (E)	19861.63	15026.95
Energy consumption through other sources (F)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	**127618.24**	**157325.12**
Total energy consumed (A+B+C+D+E+F)	**172383.87**	**180403.16**
Energy intensity per Rupee of turnover (Total energy consumed/ Revenue from operations) (In GJ/Rupee Crores)	40.02	39.84
Energy intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP) (In GJ/Mio USD)	80.35	80.00
Energy intensity in terms of physical output	*Not applicable	*Not applicable

* The Company operates in the shipbuilding and ship repair industry, where the nature of output - such as ships and offshore structures - varies significantly in type, size, complexity, and scope from project to project. As a result, there is no uniform or comparable measure of physical output that would enable meaningful calculation of intensity ratios.

Note: The Purchasing Power Parity (PPP) for FY 2026 and FY 2025 are sourced from the International Monetary Fund (IMF). The PPP factor applied is 20.078 as per the 2025 update.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, CSL internally monitors the energy consumption.

2. **Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No. The entity does not have any sites/ facilities identified as Designated Consumers under the PAT Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2026	FY 2025
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	985.10	886.00
(iii) Third party water	638134.66	569486.06
(iv) Seawater/ desalinated water	0.00	300.00
(v) Others	0.00	2116.00
Total volume of water withdrawal (i + ii + iii + iv + v)	**639119.76**	**572788.06**
Total volume of water consumption #	**627429.76**	**562774.06**
Water intensity per Rupee of turnover (Total water consumption/ Revenue from operations) (in Kilolitres/Rupee Crores)	145.65	124.29
Water intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP) (in Kilolitres/ Mio USD)	292.44	249.55
Water intensity in terms of physical output	*Not applicable	*Not applicable

#Due to non-availability of accurate data, the Water consumption for the Ship Repair Unit of CSL in Andaman & Nicobar Islands (CANSRU) and Kolkata (CKSRU) have been calculated based on the guidelines established by the Central Ground Water Authority (CGWA) as per the Industry Standards note on Business Responsibility and Sustainability Report Core, and accordingly, the data for FY 2025 has been corrected. The said correction is not material and is less than one percent of the total quantity of water consumption.

* The Company operates in the shipbuilding and ship repair industry, where the nature of output - such as ships and offshore structures - varies significantly in type, size, complexity, and scope from project to project. As a result, there is no uniform or comparable measure of physical output that would enable meaningful calculation of intensity ratios.

Note: The Purchasing Power Parity (PPP) for FY 2026 and FY 2025 are sourced from the International Monetary Fund (IMF). The PPP factor applied is 20.078 as per the 2025 update.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, CSL internally monitors the water consumption.

4. Provide the following details related to water discharged:

Parameter	FY 2026	FY 2025
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water	0.00	# 0.00
- No treatment	0.00	0.00
- With treatment	0.00	# 0.00
- Primary treatment	0.00	0.00
- Secondary treatment	0.00	# 0.00
- Tertiary treatment	0.00	0.00
(ii) To Groundwater	280.00	*0.00
- No treatment	280.00	0.00
- With treatment	0.00	*0.00
- Primary treatment	0.00	*0.00
- Secondary treatment	0.00	0.00
- Tertiary treatment	0.00	0.00
(iii) To Seawater	11690.00	10014.00
- No treatment	0.00	0.00
- With treatment	11690.00	10014.00
- Primary treatment	0.00	0.00
- Secondary treatment	11690.00	10014.00
- Tertiary treatment	0.00	0.00
(iv) Sent to third-parties	0.00	0.00
- No treatment	0.00	0.00
- With treatment	0.00	0.00
(v) Others	0.00	0.00
- No treatment	0.00	0.00
- With treatment	0.00	0.00
Total water discharged	**11970.00**	**10014.00**

Data for FY 2025 has been corrected since it was discharged to sea after treatment and was already included in the data provided for water discharged to sea water.

*The Water consumption for the Ship Repair Unit of CSL in Andaman & Nicobar Islands (CANSRU) and Kolkata (CKSRU) have been estimated based on the guidelines established by the Central Ground Water Authority (CGWA) as per the Industry Standards note on Business Responsibility and Sustainability Report Core. Accordingly, the water discharge is not applicable and hence corrected.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, CSL internally monitors the water discharge.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

No

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2026	FY 2025*
NOx	mg/Nm^3	33.83	28.98
SOx	mg/Nm^3	23.00	17.93
Particulate matter (PM)	µg/m^3	38.67	45.98

Parameter	Unit	FY 2026	FY 2025*
Persistent organic pollutants (POP)	-	0.00	0.00
Volatile organic compounds (VOC)	-	0.00	0.00
Hazardous air pollutants (HAP)	-	0.00	0.00
Others -			
CO	mg/Nm^3	107.00	109.58

* Details for FY 2025 has been corrected based on stack air emission test report.

Note: The emissions reported represent the average of the values recorded during the tests conducted during the reporting period.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Standards Environmental & Analytical Laboratories

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	FY 2026	FY 2025
GHG Emissions (in Metric tonnes of CO_2 equivalent)		
Total Scope 1 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	**3998.03**	**2687.63**
Total Scope 2 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	**21252.00**	**28736.33**
Total Scope 1 and Scope 2 emission intensity per Rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) (In Metric tonnes of CO_2 equivalent/Rupee Crores)	5.86	6.94
Total Scope 1 and Scope 2 emission intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	11.77	13.93
Total Scope 1 and Scope 2 emission intensity in terms of physical output	*Not applicable	*Not applicable

* The Company operates in the shipbuilding and ship repair industry, where the nature of output - such as ships and offshore structures - varies significantly in type, size, complexity, and scope from project to project. As a result, there is no uniform or comparable measure of physical output that would enable meaningful calculation of intensity ratios.

Note: The Purchasing Power Parity (PPP) for FY 2026 and FY 2025 are sourced from the International Monetary Fund (IMF). The PPP factor applied is 20.078 as per the 2025 update.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, CSL internally monitors the GHG emissions.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

CSL is planning to expand the renewable energy capacity by way of rooftop solar installations in CSL to 4,000 kWp in a phased manner. CSL is currently having an installed capacity of 2,422 kWp. Further, as part of the green energy transition, it has been decided to implement a Battery Energy Storage System (BESS) in a phased manner. The BESS will be charged through the purchase of low-cost renewable power from the Green Day Ahead Market (GDAM) and the surplus solar generation whenever available. The stored energy will be used during peak tariff periods. Upon commissioning of the project, CSL expects to meet approximately 60-70% of its energy requirements through green energy sources.

9. Provide details related to waste management by the entity, in the following format:

a. Total Waste generated

Parameter	FY 2026	FY 2025
Total Waste generated (in metric tonnes)		
Plastic waste	13.75	20.20
E-waste	7.27	15.70
Biomedical waste	0.08	0.05
Construction and demolition waste	2340.27	1669.63
Battery waste	42.67	28.09
Radioactive waste	0.00	0.00
Other Hazardous waste		
Glass Waste	0.00	0.01
Used or Spent Oil	0.00	20.99
Waste or Residue Containing Oil	210.00	0.00
Oil & Grease skimming	0.01	0.01
Equipment Retiral Waste	30.00	65.00
Paint Sludge	11.00	5.85
Anode	12.46	2.90
Waste Oil	398.74	#644.52
Copper Cables	20.00	12.46
Used Copper Slag	7102.55	5593.00
Empty Paint Tin	48.45	41.97
Empty Oil Barrel	15.30	11.10
Other Non-hazardous waste		
Food Waste	426.50	334.23
Paper & Cardboard Waste	0.10	0.11
Aluminium Waste	1.29	3.42
Miscellaneous Waste	1000.00	@120.00
Steel Scrap	2862.43	#1166.40
Industrial Waste	4303.86	3050.00
Total Waste Generated	**18846.73**	**^12805.64**
Waste intensity per Rupee of turnover (Total waste generated/ Revenue from operations) (per Rupee Crores)	**4.38**	**2.83**
Waste intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP) (per Mio USD)	8.78	5.68
Waste intensity in terms of physical output	*Not applicable	*Not applicable

#Data has been corrected, since the data regarding waste generation from the Kolkata Unit of CSL was not included in the previous year report. @The data has been corrected to record the Miscellaneous waste generated. ^ Accordingly, the Total Waste Generated has also been corrected.

*The Company operates in the shipbuilding and ship repair industry, where the nature of output - such as ships and offshore structures - varies significantly in type, size, complexity, and scope from project to project. As a result, there is no uniform or comparable measure of physical output that would enable meaningful calculation of intensity ratios.

Note:

1) The difference between the quantity of waste generated and the quantity of waste recovered/disposed of during the reporting period arises due to the timing of waste generation vis-à-vis waste recovery and disposal. Waste disposal is not confined only to the waste generated during a particular financial year. In practice, waste generated in a given year may not be fully recovered or disposed of within the same year and is carried forward until sufficient quantity is accumulated or disposal arrangements are finalized. Also, waste recovered or disposed of during a financial year may also include waste generated in previous years.

2) Miscellaneous waste constitutes a mixture of the waste consisting of wood, paper, cardboard, rubber etc. along with particles of steel while Industrial Waste constitutes of a mixture of waste consisting of clothes, leather items, wood, paper, cardboard, rubber, cotton etc.

3) Miscellaneous waste constituting a mixture of the waste along with particles of steel is collected in a combined form. It is not operationally feasible to accurately segregate the individual quantities of each constituent material. Accordingly, the steel contained in Miscellaneous waste has not been separately reported under the steel waste generated. However in case of waste disposal, the quantity of steel forming part of Miscellaneous waste could be estimated based on the value received for disposing the miscellaneous waste. Since the waste generated in a particular reporting period and waste disposed in the same period not always match as stated above, the similar assumption cannot be applied in case of Miscellaneous waste generation. Accordingly, the steel forming part of Miscellaneous waste is added along with steel scrap recycled and the rest of the Miscellaneous waste is shown as disposed by way of landfilling.

4) The Purchasing Power Parity (PPP) for FY 2026 and FY 2025 are sourced from the International Monetary Fund (IMF). The PPP factor applied is 20.078 as per the 2025 update.

b. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	FY 2026	FY 2025
Category of waste: Total Waste		
(i) Recycled	6373.66	^5048.41
(ii) Re-used	0.00	^0.00
(iii) Other recovery operations	0.00	0.00
Total	**6373.66**	**^5048.41**
Category-wise breakdown		
Category of waste: Plastic waste		
(i) Recycled	12.62	15.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**12.62**	**15.00**
Category of waste: E-waste		
(i) Recycled	0.00	#18.37
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.00**	**#18.37**
Category of waste: Biomedical waste		
(i) Recycled	0.06	@0.03
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.06**	**@0.03**
Category of waste: Battery waste		
(i) Recycled	40.76	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**40.76**	**0.00**
Category of waste: Construction and demolition waste and Radioactive waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.00**	**0.00**
Other Hazardous waste		
Category of waste: Equipment Retiral waste		
(i) Recycled	30.00	#65.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**30.00**	**#65.00**

Parameter	FY 2026	FY 2025
Category of waste: Anode		
(i) Recycled	0.00	#18.50
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	0.00	#18.50
Category of waste: Waste Oil		
(i) Recycled	**505.59**	**#833.04**
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**505.59**	**#833.04**
Category of waste: Copper Cables		
(i) Recycled	7.13	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**7.13**	**0.00**
Category of waste: Empty Paint Tin		
(i) Recycled	61.86	#48.24
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**61.86**	**#48.24**
Category of waste: Empty Oil Barrel		
(i) Recycled	26.39	#7.42
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**26.39**	**#7.42**
Category of waste: Glass Waste, Used or Spent Oil, Waste or Residue Containing Oil, Oil & Grease Skimming, Paint Sludge and Used Copper Slag		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.00**	**0.00**
Other Non-hazardous waste		
Category of waste: Food Waste		
(i) Recycled	426.49	*334.23
(ii) Re-used	0.00	*0.00
(iii) Other recovery operations	0.00	0.00
Total	**426.49**	**334.23**
Category of waste: Miscellaneous Waste		
(i) Recycled	0.00	@82.95
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**455.81**	**@82.95**
Category of waste: Steel Scrap		
(i) Recycled	5262.76	#3708.58
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**5262.76**	**#3708.58**
Category of waste: Paper & Cardboard Waste, Aluminium Waste, Miscellaneous Waste and Industrial Waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.00**	**0.00**

* The Food waste is recycled instead of re-used. # Data of E-waste, Equipment Retiral Waste, Anode, Waste Oil, Empty Paint Tin, Empty Oil Barrel and Steel Scrap have been corrected as recycled instead of disposed. @ A part of 'Biomedical waste' which contains plastic, needles etc., & a part of 'Miscellaneous waste' which contains steel are recycled instead of disposed. Hence the data has been corrected. ^ Accordingly, the Total waste data has also been corrected.

c. **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Parameter	FY 2026	FY 2025
Category of waste: Total Waste		
(i) Incineration	0.02	^0.01
(ii) Landfilling	13256.30	^12096.52
(iii) Other disposal operations	0.00	^0.00
Total	**13256.32**	**^12096.53**
Category-wise breakdown		
Category of waste: Biomedical waste		
(i) Incineration	0.02	@0.01
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	@0.00
Total	**0.02**	**@0.01**
Category of waste: Construction and demolition waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	2313.27	©1646.63
(iii) Other disposal operations	0.00	©0.00
Total	**2313.27**	**1646.63**
Category of waste: E-waste*, Plastic waste, Battery waste and Radioactive waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.00**	**0.00**
Other Hazardous waste		
Category of waste: Paint Sludge		
(i) Incineration	0.00	0.00
(ii) Landfilling	4.75	©6.19
(iii) Other disposal operations	0.00	©0.00
Total	**4.75**	**6.19**
Category of waste: Used Copper Slag		
(i) Incineration	0.00	0.00
(ii) Landfilling	6008.50	©7366.52
(iii) Other disposal operations	0.00	©0.00
Total	**6008.50**	**7366.52**
Category of waste: Glass Waste, Used or Spent Oil, Waste or Residue Containing Oil, Oil & Grease skimming, Equipment Retiral Waste*, Anode*, Waste Oil*, Empty Paint Tin*, Empty Oil Barrel* and Copper Cables		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.00**	**0.00**
Other Non-hazardous waste		
Category of waste: Miscellaneous Waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	316.46	#30.89
(iii) Other disposal operations	0.00	#0.00
Total	**316.46**	**#30.89**
Category of waste: Industrial Waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	4613.32	©3046.29
(iii) Other disposal operations	0.00	©0.00
Total	**4613.32**	**3046.29**
Category of waste: Food Waste, Paper & Cardboard Waste, Steel Scrap* and Aluminium Waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	**0.00**	**0.00**

* E-waste, Equipment Retiral waste, Anode, Waste Oil, Empty Paint Tin, Empty Oil Barrel and Steel Scrap are recycled instead of disposal. @ A part of Biomedical waste generated, being highly infectious waste is disposed by way of incineration and the method of disposal has been corrected. © Construction and demolition waste, Paint Sludge, Used Copper Slag & Industrial Waste are disposed by way of landfill. # A part of Miscellaneous waste generated is disposed by way of landfilling and the method of disposal has been corrected. ^ Accordingly, the Total waste data has been corrected.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, CSL internally monitors the waste management.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

CSL has an operating Memorandum of Understanding (MoU) with 'Kerala Enviro Infrastructure Limited' (KEIL) an authorized agency of Kerala State Pollution Control Board (KSPCB) and 'Clean Kerala Company Limited' (CKCL) a Government of Kerala enterprise specializing in scientific waste management. CSL is disposing its industrial wastes through KEIL and CKCL in compliance with applicable statutory requirements promulgated by Pollution Control Board from time to time.

11. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	CSL, Perumanoor, Kochi, Kerala	Shipbuilding and Ship Repair	Yes.
2.	ISRF, Willingdon Island, Kochi, Kerala	Ship Repair	Yes.
3.	CMSRU, Mumbai, Maharashtra	Ship Repair	No. No environmental approval/ clearance is required.
4.	CKSRU, Kolkata, West Bengal	Ship Repair	No. No environmental approval/ clearance is required.
5.	CANSRU, Andaman & Nicobar Islands	Ship Repair	No. No environmental approval/ clearance is required.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Sl. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web link
Nil						

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N): Yes

If not, provide details of all such non-compliances, in the following format:

Sl. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

7 Principle

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations**

   11

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to**

Sl. No.	Name of the trade and industry chambers associations	Reach of trade and industry chambers/ associations (State/ National)
1	Federation of Indian Export Organisations (FIEO)	National
2	Confederation of Indian Industry (CII)	National
3	Federation of Indian Chamber of Commerce and Industry (FICCI)	National
4	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
5	Kerala State Productivity Council	State
6	The Cochin Chamber of Commerce & Industry	State
7	Standing Conference of Public Enterprises (SCOPE)	National
8	Indian Register of Shipping	National
9	Indian Shipbuilders' Association (ISBA)	National
10	Indian Maritime Centre	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

   During the year, there were no adverse orders from regulatory authorities relating to anti-competitive conduct.

Name of authority	Brief of the case	Corrective action taken
	Nil	

8 Principle

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Sl. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web link
			Nil			

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families(PAFs)	% of PAF covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

Note: During financial year 2025-26, CSL have not undertaken any projects that require Rehabilitation and Resettlement (R&R).

3. **Describe the mechanisms to receive and redress grievances of the community**

   CSL's grievance redressal system is headed by a Whole Time Director and the complaints involving issues of integrity, fairness and transparency in dealing with CSL will be addressed and attended to in a time bound manner. Towards this the Company has put in place a grievance portal which can be accessed at https://cochinshipyard.in/grievance-cell

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Catergory	FY 2026	FY 2025
Directly sourced from MSMEs/ small producers	50.80	27.53
Directly from within India	74.36	45.06

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost**

Location	FY 2026	FY 2025
Rural	0.00	0.00
Semi-urban	0.00	0.00
Urban	94.59	95.74
Metropolitan	5.41	4.26

9 Principle

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   All the contracted vessels are conducted with a customer satisfaction survey and feedbacks are taken from owners willing to share their experience. The surveys are conducted by an independent third party firm in order to have open & genuine feedback from the customer.

2. **Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	N.A.

3. **Number of consumer complaints in respect of the following:**

Particulars	FY 2026			FY 2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. **Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for recall
Voluntary recalls	0	N.A.
Forced recalls	0	N.A.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   CSL conforms to the ISO 27001:2022 certification relating to 'Information Security Management Systems' to safeguard sensitive information and cyber-resilience.

   Weblink for certificate: https://cochinshipyard.in/uploads/ISO-IEC_27001-ENG-C718609-0-20250324.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.**

   No significant concerns/ complaints/ penalties/ regulatory actions were identified during the year.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches.**

      Nil

   b. **Percentage of data breaches involving personally identifiable information of customers.**

      Nil

   c. **Impact, if any, of the data breaches.**

      Nil

Independent Assurance Statement

To,
The Board of Directors
Cochin Shipyard Limited
Administrative Building, Cochin
Shipyard Premises, Perumanoor
Kochi – 682015, Kerala, India

Scope and Approach

Sustainability Actions Private Limited ("SAPL") has been engaged by the management of Cochin Shipyard Limited ("CSL" or "the Company"), to conduct an Independent Reasonable Assurance of the Company's Business Responsibility and Sustainability Report ("BRSR") Core Matrices as set forth in Annexure I, for the Financial Year 2025-26.

Reporting Criteria for Reasonable Assurance Opinion

Identified Sustainability Information subject to assurance	Period subject to assurance	Level of assurance	Reporting Criteria
BRSR Core Attributes	From 1st April, 2025 to 31st March, 2026	Reasonable Assurance	• Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) • Guidance note for BRSR format issued by SEBI • Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised) developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) • SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core. • SEBI/HO/CFD/PoD-1/P/CIR/2025/42 dated 28th March 2025 - Measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosures on green credits.

Reasonable Assurance Opinion

Based on our review and procedures followed for a reasonable level of assurance and evidence obtained, we are of the opinion that, the information covered by Reasonable Assurance in the Business Responsibility and Sustainability Report for the FY25-26 is prepared, in all material respects, in accordance with the Reporting Criteria and the Reporting Boundary as set out in Section A: General Disclosures 13 of the Business Responsibility and Sustainability Report.

Basis For Opinion and Conclusion

We conducted our engagement in accordance with Standard on Sustainability Assurance Engagements (ISAE - Revised) 3000. As part of our assurance process, a multi-disciplinary team of sustainability and assurance specialists reviewed the disclosures presented within the Report and referenced information. The procedures conducted were based on professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluation of quantification methods and reporting policies, analytical procedures, and reconciliation with underlying records.

We interviewed with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.

Given the circumstances of the engagement, in executing the procedures outlined above, we:

- Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes.
- Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators. Assessment of operational control and reporting boundaries.
- Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.
- The audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Management Responsibilities

The Company's Management is responsible for identification of key aspects, content and presentation of the Business Responsibility and Sustainability Report in accordance with the Criteria mentioned above. This responsibility includes:

- The design, implementation and maintenance of internal control relevant to the preparation of the Business Responsibility and Sustainability Report and measurement of BRSR Core and other Matrices, which are free from material misstatement, whether due to fraud or error.
- Selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria.
- Ensuring compliance with law, regulation or applicable contracts.
- Making judgements and estimates that are reasonable in the circumstances.
- Identifying and describing any inherent limitations in the measurement or evaluation of information covered by assurance in accordance with the reporting criteria.

Independence and Quality Control

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in BRSR provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our assurance engagements are based on the assumption that the data and information provided by the company to us as part of our review have been provided in good faith and free from material misstatements. We were not involved in the preparation of any statements or data included in the Report except for Assurance Statement. Our firm applies International Standard on Quality Management and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We apply SQC 1 for quality control in assurance and related services.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion and limited assurance conclusion on the identified sustainability indicators, based on the procedures we have performed and the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Company. Those standards require that we plan and perform our engagement to obtain assurance about whether, in all material respects, the Identified Sustainability Subject Information is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Inherent Limitations

We have relied on the information, documents, records, data, and explanations provided to us by the Company for the purpose of our review. The assurance scope excludes:

- Any disclosure other than those mentioned in the scope section above.
- Data and information outside the defined reporting period.
- Data related to Company's financial performance, strategy and other related linkages expressed in the Report.
- The reported financial data are based on audited financial statements issued by the Company's statutory auditors which is subject to a separate audit process. We were not involved in the review of financial data from the Annual Report.
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.
- While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

For and behalf of Sustainability Actions Pvt. Ltd.
(CIN - U74999HR2021PTC093811)

Saket Sinha
(Director)

Place: Gurgaon
Date: 6th August'26

Annexure I

BRSR Core attributes - Reasonable assurance for financial year 2025-26

BRSR Core Indicator	Description of Indicator
Section C - Principle 1 - E8	Number of days of accounts payable
Section C - Principle 1 - E9	Concentration of purchases & sales done with trading houses, dealers and related parties Loans and advances & investments with related parties
Section C – Principle 3 - E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
Section C – Principle 3 - E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
Section C – Principle 5 - E3(b)	Gross wages paid to females as % of wages paid
Section C – Principle 5 - E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees and complaints upheld
Section C – Principle 6 - E1	Details of total energy consumption (in Joules or multiples) and its intensity
Section C – Principle 6 - E1	Details of total energy intensity
Section C – Principle 6 - E3	Details of water withdrawal by source
Section C – Principle 6 - E3	Details of water consumption and its intensity
Section C – Principle 6 - E4	Details of water discharged by destination and level of treatment
Section C – Principle 6 - E6	Details of Air Emissions (Other than GHG emissions)
Section C – Principle 6 - E7	Details of greenhouse gas emissions (Scope 1and Scope 2) and its intensity
Section C – Principle 6 - E9	Details related to waste generated by category of waste
Section C – Principle 6 - E9	Details related to waste recovered through recycling, re-using or other recovery operations
Section C – Principle 6 - E9	Details related to waste disposed by nature of disposal method
Section C – Principle 8 - E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
Section C – Principle 8 - E5	Job creation in smaller towns
Section C – Principle 9 - E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events

Independent Auditors' Report

To
The Members of **COCHIN SHIPYARD LIMITED**

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of Cochin Shipyard Limited ("the Company") which comprises the standalone Balance Sheet as at March 31, 2026, and the standalone Statement of Profit and Loss (including other comprehensive income), standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SAs"), as specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Emphasis of Matter

4. **Suspension of construction of two passenger vessels and related uncertainties:**

   In 2016, the Company entered into a contract with the Administration of a Union Territory of India for the construction of two passenger vessels at a total contract value of ₹81,900 lakhs (excluding taxes and foreign exchange variation). The vessels were launched in January 2020 and August 2022, respectively.

   As at the reporting date, approximately 55% of the construction work, up to the fourth stage, has been completed and payments aggregating to ₹66,503.63 lakhs (Previous year: ₹66,503.63 lakhs) have been received from the Administration. The fifth and final stage is linked to delivery of the vessels.

   Subsequently, the said Administration of a Union Territory has expressed its intention to take delivery of one vessel, while the other vessel is proposed to be taken over by another Administration of a Union Territory, both subject to certain reconfigurations. However, the scope of modifications and related commercial terms, including reimbursement of costs, are yet to be finalised between the parties. Pending receipt of the necessary approvals and finalisation of the commercial arrangements, further construction activities remain suspended.

   Accordingly, the Company expressed its inability to determine the financial impact, if any, arising from factors such as ageing of the vessels due to prolonged inactivity, occupation of berthing space and annual revalidation costs of bank guarantees amounting to ₹1,12,411.88 lakhs (Previous year: ₹1,10,936.04 lakhs) furnished to the Administration (Refer Note No.34(5)).

5. **Classification of Ship Building Financial Assistance:**

   The Management has represented that while determining the pricing of the vessels, it factor the Ship Building Financial Assistance (SBFA) which is an integral component of the shipbuilding process. Accordingly, during the year, the Company has regrouped the SBFA under 'Sale of products' which was hitherto grouped under 'Other operating revenue' (Refer Note No.34(6)).

   Our opinion is not modified in respect of these matters.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matters	Auditors' Response
1	**Measurement of Physical Completion of Shipbuilding and Ship Repair Activities** (Refer Note 2.5 – Critical Accounting Estimates and Judgements and Note 3.11(a) – Revenue from Operations) The Company determines the stage of completion of shipbuilding and ship repair contracts based on the estimated physical progress of work performed as at the reporting date. The assessment of physical completion is carried out internally by Management, based on technical evaluations and inputs from the planning, design and engineering departments. Determining the extent of completion of each sub-activity requires significant technical judgement and estimation, particularly in assessing work performed but not yet certified. Given the technical complexity and the reliance on internal progress of assessments, measurement of physical completion was considered a Key Audit Matter.	Our audit procedures included: • Obtaining an understanding of the process for measuring physical progress and the systems used to capture project execution data. • Evaluating the design and implementation of internal controls over monitoring and reporting of project progress. • Performing sample-based substantive procedures by examining supporting documentation, project reports, milestone certifications and M-Book records. • In selected cases, obtaining external expert reports to corroborate Management's assessment of stage of completion. While we performed the above procedures, the measurement of physical completion inherently involves technical evaluation, and we placed reliance on Management's technical and activity-based assessments.
2	**Recognition of Revenue -Shipbuilding and Ship Repair Contracts** (Refer to Note 3.11(a) – Material Accounting Policy Information relating to Revenue Recognition, Note 34 – Revenue from Operations, and Note 45 – Additional Disclosures under Ind AS 115, "Revenue from Contracts with Customers") The Company recognises revenue from shipbuilding and ship repair contracts over the time in accordance with Ind AS 115 – Revenue from Contracts with Customers. Revenue recognition involves significant judgement in identifying performance obligations, determining the transaction price (including variable consideration such as change orders and claims), assessing the Company's enforceable right to receive payment for performance completed to date, estimating total contract costs and costs to complete, incorporating cost contingencies for contract-specific risks, and recognising expected losses on onerous contracts when such losses become probable. Given the magnitude of revenue and the complexity of contract accounting under Ind AS 115, we identified this as a Key Audit Matter.	Our audit procedures included: • Evaluating the appropriateness of the Company's revenue recognition policies and their compliance with Ind AS 115. • Testing key internal controls over identification of performance obligations, estimation of total contract costs, assessment of contingencies, evaluation of contract modifications, and recognition of variable consideration. • Examining selected contracts, amendments and related documentation to assess Management's determination of transaction price and contractual rights. • Comparing costs incurred to date with Management's cost-to-complete estimates and performing retrospective review of prior estimates against actual outcomes. • Evaluating Management's assessment of variable consideration through review of contractual terms, customer correspondence and, where relevant, legal assessments. • Performing analytical procedures to identify unusual revenue trends, loss-making or onerous contracts, and significant changes in cost estimates. • Assessing the adequacy of related disclosures in accordance with Ind AS 115 and Schedule III of the Act. Based on the procedures performed, we did not identify any material exceptions in respect of the Company's application of Ind AS 115.

Other Information

7. The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, including the Directors' Report and Management Discussion and Analysis Report, but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Company's Annual Report is expected to be made available to us after the date of this Auditor's Report. Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

8. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

9. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take necessary actions, as applicable under the relevant laws and regulations. As on the date of this report, the other information was not made available to us by the Management. Accordingly, we are unable to comment on this matter.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

10. The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

11. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; selection of appropriate accounting software for ensuring compliance with applicable laws and regulations relating to maintenance of books of account and audit trail requirements; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

12. In preparing the Standalone Financial Statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

13. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the Standalone 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 SAs 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 Standalone Financial Statements.

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

    - Identify and assess the risks of material misstatement of the Standalone 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. Under Section 143(3)

(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and 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 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

16. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in.

    (i) Planning the scope of our audit work and in evaluating the results of our work: and

    (ii) To evaluate the effect of any identified misstatements in the Standalone Financial Statements.

17. 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.

18. 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.

19. From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

20. The Standalone Financial Statements of the Company for the financial year ended March 31, 2025 were audited by the predecessor auditors, whose Audit Report dated May 15, 2025 had expressed an unmodified opinion on that Standalone Financial Statement. Our opinion on the Standalone Financial Statement is not modified in respect of this matter.

21. We draw attention to the fact that, for the year ended March 31, 2026, the Company initiated the process of obtaining balance confirmations from Trade Receivables and Trade Payables. As at the date of our report, only a limited number of such confirmations have been received. In cases where confirmations were not available, we performed alternative audit procedures, including verification of underlying contract documents, invoices raised, subsequent receipts/ payments, and review of related correspondence and follow-up communications.

    Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

22. As required under the directions and sub-directions issued by the Comptroller and Auditor General of India in terms of Sub-section (5) of Section 143 of the Act, we are enclosing our report in **"Annexure A"**.

23. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") as amended, issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, our report thereon is enclosed as **"Annexure B"**.

24. Non-Compliance with Composition of the Board and Board Committees

We draw attention to the fact that, during the year, the requisite number of Non-Official (Independent) Directors was not in place, resulting in non-compliance with the provisions relating to the composition of the Board and certain mandatory committees thereof, as required under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time. Consequently, the Company did not have a duly constituted Audit Committee in accordance with Section 177 of the Act and Regulation 18 of the SEBI LODR Regulations, nor a duly constituted Nomination and Remuneration Committee as required under Section 178 of the Act and Regulation 19 of the SEBI LODR Regulations.

Accordingly, the Standalone Financial Statement for the year ended March 31, 2026, is not reviewed by the Audit Committee in accordance with the aforesaid provisions. The Management has informed us that, being a Central Public Sector Enterprise (CPSE), the power to appoint Directors vests with the Government of India, and necessary communications have been made to the Government for the appointment of the required number of Independent Directors.

Our opinion is not modified in respect of this matter.

25. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper, adequate returns have been received from all the units of the Company;

c. The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereon;

e. The provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R.463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Government of India;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;

g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, the provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration, are not applicable to the Company, being a Government Company, in terms of the Ministry of Corporate Affairs Notification no. G.S.R. 463(E) dated June 5, 2015;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Refer Note No.48 to the Standalone Financial Statements;

ii. The Company has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026;

iv. a. The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in these circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared/ paid by the Company during the year is in compliance with Section 123 of the Act;

vi. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the ICAI, which included test checks, except the instances mentioned below, we report that the Company has used an accounting software ie., SAP S/4HANA, for maintaining its books of account, which has a feature of security audit log and recording audit trail (edit log) facility for all relevant transactions recorded in the software:

a. The feature of recording audit trail (edit log) facility was enabled for identified database tables to log data changes for the accounting software used for maintaining the books of account. However, any direct data change to the SAP database tables is not being carried out;

b. Security audit log was enabled in the ERP. The feature of recording audit trail (edit log) facility of the accounting software was enabled during the year under audit;

Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

For **Babu A. Kallivayalil & Co.,**
Chartered Accountants,
Firm Registration No. 05374S

Alexander Nallanickal Koshy
Partner, Membership No. 007448
UDIN: 26007448ZHJUZE3490

Kochi
May 15, 2026

Annexure A to the Independent Auditors' Report

(Referred to in Paragraph 22 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of the Company)

REPORT ON DIRECTIONS ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA under section 143(5) of the Companies Act, 2013

I. Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.

All the investments made directly by the Company or through Trusts, for Post-retirement benefits of the employees, have been valued appropriately in accordance with the applicable financial reporting framework and applicable regulations. The valuation approach and valuation methodologies applied by the Company for these investments are appropriate and reasonable. No material deviations or misstatements have been observed. A brief note on the valuation approach is attached below:

Brief Note on Valuation Approach

The Company administers Post-retirement employee benefit plans through separate legally constituted Trusts, namely the Cochin Shipyard Limited Employees Group Gratuity (CSLEGG) Trust and the Cochin Shipyard Limited Employees Contributory Provident Fund (CSLECPF) Trust. The Gratuity Trust represents a funded defined benefit plan governed by the Payment of Gratuity Act, 1972. The Provident Fund Trust, by virtue of the interest rate guarantee provided to members, gives rise to a defined benefit obligation in accordance with Ind AS 19, Employee Benefits.

The defined benefit obligations in respect of the aforesaid plans have been determined by an independent qualified Consulting Actuary using the Projected Unit Credit Method, which is the actuarial valuation method prescribed under Ind AS 19. The actuarial assumptions, including the discount rate, have been determined with reference to market yields on Government securities as at the valuation date, based on the Zero Coupon Sovereign Rupee Yield Curve published by the Clearing Corporation of India Limited (CCIL), in accordance with the requirements of Ind AS 19.

The valuation methodologies applied to the principal categories of investments are summarised below:

Investment Category	Valuation Basis
LIC Group Gratuity Master Policy	Valued based on the fund balance together with interest declared by LIC.
Central Government Securities, State Government Securities and Securities of Public Financial Institutions	Valued in accordance with the applicable accounting and regulatory requirements governing such investments (Cost).
Mutual Fund Investments	Valued based on the Net Asset Value (NAV) prevailing as at the reporting date.

We have also considered the certification and supporting documentation made available by Management regarding compliance of the investment portfolio with the prescribed investment pattern and applicable regulatory requirements.

As the statutory audits of the Trusts for the financial year ended March 31, 2026 were not completed as at the date of this report, our review has been based on the latest audited financial statements made available to us. In addition, we have reviewed the investment statements, actuarial valuation reports and other relevant records relating to the financial year 2025-26 made available to us.

II. Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.

The Company has a system in place to process all the accounting transactions through IT system and the same are subject to periodic reviews, and no material discrepancies or significant weaknesses affecting financial reporting were reported during the year.

As confirmed by the Management, there were no accounting transactions processed outside the Company's IT system during the year.

III. Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.

Based on the information and explanation provided to us and based on the cases verified by us, the Company has properly accounted for the funds received and receivable under schemes of the Central Government in accordance with the applicable accounting standards and the same were utilised by the Company in accordance with the prescribed terms and conditions. In most of the cases, grants are received after incurring the cost and interest earned, if any, cannot be separately determined.

IV. Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?

The Company has generally identified major key risk areas and formulated a Risk Management Policy to mitigate such risks. The overall risk governance framework is overseen by the Board Level Risk Management Committee (BLRMC), Chief Risk Officer (CRO) and Risk Coordinators, ensuring effective identification, assessment, monitoring, and mitigation of risks.

a) As represented by the Management, the Risk Management Policy is aligned with the principles and processes of ISO 31000, a globally recognized framework for risk management; however, the Company has not obtained formal ISO 31000 certification.

b) The Company has evaluated its data-related assets with reference to the requirements of Ind AS 38 - Intangible Assets and the applicable financial reporting framework. Data-related assets that satisfy both the identification and recognition criteria prescribed under Ind AS 38, including identifiability, control, probable future economic benefits, and reliable measurement of cost, have only been recognised, measured, and disclosed in the financial statements.

V. Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.

Based on the information and explanations given to us, Annual Secretarial Compliance Report, Secretarial Audit Report of the Company for the financial year ended March 31, 2026, and audit procedures carried out by us, the Company is generally complying with the SEBI (LODR) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs and Department of Public Enterprises, wherever applicable. We have been informed that there is no compliance requirement in relation to Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India. However, certain exceptions noted by us are as follows:

a. Board Composition and Independent Directors

The Company did not have the requisite number of Independent Directors on its Board as required under the SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and the Corporate Governance Guidelines for Central Public Sector Enterprises (CPSEs). There were no Independent Directors on the Board from April 1, 2025 to May 20, 2025 and only one Independent Director thereafter, resulting in non-compliance with requirements relating to Board composition and separate meetings of Independent Directors.

b. Woman Director / Woman Independent Director

The Company did not have a Woman Independent Director from April 1, 2025 to May 20, 2025 as required under the SEBI (LODR) Regulations, 2015 and was also non-compliant with the requirement of having at least one Woman Director under the Companies Act, 2013 during the said period.

c. Board Committees

Due to the shortage of Independent Directors, the Company did not have duly constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR and Sustainable Development Committee, and Risk Management Committee for part of the reporting period, resulting in consequential non-compliance relating to the constitution and conduct of committee meetings. The Stakeholders Relationship Committee, CSR and Sustainable Development Committee, and Risk Management Committee were reconstituted with effect from June 1, 2025 following the appointment of an Independent Director.

d. Board Meeting Quorum

The Board Meeting held on May 15, 2025 did not meet the quorum requirement prescribed under Regulation 17(2A) of the SEBI (LODR) Regulations, as no Independent Director was on the Board on that date.

e. Audit Committee Functions

In the absence of a duly constituted Audit Committee, certain matters requiring Audit Committee review and approval, including omnibus approval/review of related party transactions, were placed directly before the Board.

f. Stock Exchange Penalties

The Stock Exchanges imposed fines on the Company for non-compliance relating to the appointment of Independent Directors and the consequent non-constitution of statutory committees. The Company has filed/proposed to file waiver requests, considering that the appointment of Independent Directors is within the purview of the Government of India.

For **Babu A. Kallivayalil & Co.,**
Chartered Accountants,
Firm Registration No. 05374S

Alexander Nallanickal Koshy
Partner,
Membership No. 007448
UDIN: 26007448ZHJUZE3490

Kochi
May 15, 2026

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 23 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company)

According to the information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment, Right-of-Use assets and Intangible Assets:

   a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-Use assets in electronic form.

      B. The Company has maintained proper records showing full particulars of intangible assets in electronic form.

   b. The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all major assets are verified in a phased manner. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c. Based on our examination of the title deeds, lease agreements and other relevant records, we report that the title deeds of all immovable properties disclosed under Property, Plant and Equipment are held in the name of the Company. In respect of leasehold properties where the Company is the lessee, certain lease agreements/registrations are pending execution or registration as detailed below:

Description of property	Gross Carrying Value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held since (year)	Reason for not being held in the name of the Company
International Ship Repair Facility (ISRF) Project Land - Phase I located at Willingdon Island, Ernakulam	27,691.68	Cochin Port Authority	No	2012	Pending Registration
ISRF Project Land - Phase II located at Willingdon Island, Ernakulam			No	2017	Pending Registration
Bed of backwater - Reclaimed Land			No	1977	Lease agreement not yet executed
CSL Mumbai Ship Repair Unit (CMSRU) - Berth No. 5,6,7 & 8 of Indira Dock, in Mazgaon, Mumbai	21,014.01	Mumbai Port Authority	No	2018	Pending Registration
CSL Kolkata Ship Repair Unit (CKSRU) - Berth No. 6 at Netaji Subash Dock and Two Dry Docks in Garden Reach, Kolkata.	10.92	Syama Prasad Mookerjee Port (earlier Kolkata Port Trust)	No	2019	Pending Registration
Staff Quarters No. B/1 & B/2 Port Hospital Park, Kolkata.	29.74	Syama Prasad Mookerjee Port (earlier Kolkata Port Trust)	No	2018	Lease agreement not been executed yet
Delhi Transit House Property No. D-306, 2nd Floor, Defence Colony, New Delhi.	101.22	Mrs. Anita Singhal	No	2020	Pending Registration
Sub Contractors Parking Lot, Ernakulam	17.17	Mr. K. Pradeep Kumar	No	2023	Lease agreement not been executed yet

Description of property	Gross Carrying Value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held since (year)	Reason for not being held in the name of the Company
CVO Guest House at Panampilly Nagar, Ernakulam	11.11	Mr. Sree Kumar Nair and Ms. Sunanda Pillai Viswanth	No	2024	Pending Registration
Covered storage space at Central Warehouse, Kakkanad, Ernakulam	57.48	Central Warehousing Corporation	No	2024	Pending Registration
	76.22			2024	
	51.20			2025	
	53.52			2025	
MBPA Berth No. 9ID at Indira Dock, Mumbai	4,669.80	Mumbai Port Authority	No	2025	Lease agreement not been executed yet

d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e. There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. In respect of Company's inventories

a. The inventories were physically verified during the year by the Management in accordance with the verification programme through an Inventory Physical Verification Committee constituted for this purpose. The Committee also carried out physical verification of inventories on a sample basis. The coverage and procedures of such verification are appropriate having regard to the size of the Company and the nature of its operations. The discrepancies noticed on such physical verification, if any, were not material and have been properly dealt with in the books of account.

As informed to us and based on the physical verification report provided to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification when compared with the books of account.

b. The Company has been sanctioned working capital and other credit facilities aggregating in excess of ₹5 crore from banks. However, such facilities are not sanctioned on the basis of security of current assets. Accordingly, the Company is not required to file quarterly returns or statements with banks or financial institutions.

iii. During the year, the Company has not provided any security to companies, firms, limited liability partnerships or any other parties. The Company has granted loans, secured or unsecured, to employees and companies, granted advances in the nature of loans to employees, provided guarantee and made investments in a company. The Company has not provided guarantee or made investments in, or granted any loans, secured or unsecured, to firms or limited liability partnerships during the year.

a. The aggregate amount during the year and the balance outstanding at the balance sheet date with respect to such loans, guarantees and securities to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as under:

(₹ in lakhs)

Particulars	Guarantee	Security	Loans	Advances in the nature of loans
Aggregate amount granted/ provided during the year				
Subsidiaries	12,243.52		500	
Joint Ventures				
Associates				
Others			5.45	1.66

(₹ in lakhs)

Particulars	Guarantee	Security	Loans	Advances in the nature of loans
Balance outstanding as at Balance Sheet date in respect of the above cases				
Subsidiaries	7,814.16		500	
Joint Ventures				
Associates				
Others			4.58	0.40

b. The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided during the year are, in our opinion, not prejudicial to the Company's interest.

c. In respect of loans and advances granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

d. In respect of loans and advances granted by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.

e. No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties;

f. The Company has not granted loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the Order is not applicable

iv. In respect of investments made, loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. There are no securities given by the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act.

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a. The Company is generally been regular in depositing undisputed applicable statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax (GST), cess and any other statutory dues applicable to it with the appropriate authorities. The Company does not have liability in respect of service tax, duty of excise, sales tax and value added tax during the year since effective July 1, 2017, these statutory dues has been subsumed into GST;

There were no outstanding of aforesaid statutory dues as on March 31, 2026 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, provident fund, employees state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess or other statutory dues which have not been deposited on account of any dispute except in the cases provided as **Annexure D**;

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

ix. a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. To the extent of our knowledge, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authorities or other lender.

c. The Company has utilized the money obtained by way of term loans for the purpose for which they were obtained.

d. No funds raised on short-term basis have been used for long-term purposes by the Company.

e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Further, the Company does not have any associates or joint ventures.

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any associate or joint venture during the year ended March 31, 2026.

x. a. The Company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. To the best of our knowledge,

a. No fraud by the Company or on the Company has been noticed or reported during the year.

b. No report has been filed by us or the predecessor auditors of the Company or cost auditors or secretarial auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government in accordance with section 143(12) of the Companies Act, 2013 during the year and up to the date of issuance of this report.

c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi company. Hence, the reporting under the provisions of clause (xii) (a), (b) and (c) of the order are not applicable.

xiii. In our opinion, the Company has entered into related party transactions in compliance with the provisions of Section 188 of the Companies Act, 2013, wherever applicable. Since no Audit Committee was constituted during the year, the requirements of Section 177 of the Act relating to approval of related party transactions were not complied with. The details of such related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Ind AS).

xiv. a. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of the business. However, the Company may consider to further strengthen certain aspects of the system to align more closely with the evolving scale and complexity of its operations.

b. We have obtained the internal audit reports for the period under audit, on a timely manner and duly considered by us, in determining the nature, timing and extent of our audit procedures.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with its directors during the year and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under the provisions of clause (xvi) (a), (b), (c) and (d) of the order does not arise. Further, in our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under this clause is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under this clause does not arise.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements of the Company, our knowledge of the Board of Directors and Management plans and based on our examination of the evidences supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the Audit Report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the Audit Report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. With regard to Corporate Social Responsibility obligation of the Company, In our opinion:

a. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

b. There are no amount remaining unspent to the extent of its statutory obligation, in respect of ongoing projects. Further, the Company is not required to transferred the amount remaining unspent in respect of ongoing projects, to a Special Account as permitted under the sub-section (6) of section 135 of the Act.

xxi. The reporting under this clause is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of this clause has been included in this report.

For **Babu A. Kallivayalil & Co.,**
Chartered Accountants,
Firm Registration No. 05374S

Alexander Nallanickal Koshy
Partner,
Membership No. 007448
UDIN: 26007448ZHJUZE3490

Kochi
May 15, 2026

Annexure C to the Independent Auditor's Report

(Referred to in Paragraph 25(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company of even dated.)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

We have audited the internal financial controls with reference to financial statements of **Cochin Shipyard Limited** (the "Company") as of March 31, 2026, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, reasonably adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial controls with reference to financial statements includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Babu A. Kallivayalil & Co.,**
Chartered Accountants,
Firm Registration No. 05374S

Alexander Nallanickal Koshy
Partner,
Membership No. 007448
UDIN: 26007448ZHJUZE3490

Kochi
May 15, 2026

Annexure – D to the Auditors' Report- CARO 2020

(Referred to in Clause vii (b) of Annexure-B to the Auditors' Report of our report to the Members of the Company of even dated.)

Nature of the statute	Nature of Dues		Amount (in lakhs) Disputed	Period to which the amount relates	Forum where dispute is pending
Employees' State Insurance Act, 1948	Contribution		35.82	April 2008 to July 2013	Hon'ble Employees' State Insurance Court, Alappuzha
	Claim for Damages & Interest for belated remittance		19.84		
Finance Act,1994 (Service Tax)	Amount received from Indian Navy for Design and Development of IAC	Service Tax	1647.47	2004-05	CESTAT, Bangalore
		Interest*	6261.18		
		Penalty	1647.57		
	Amount received from Indian Navy for construction of IAC accounted under the head Management Fee/handling charges on IAC P-71	Service Tax	323.04	2009-10	
		Interest*	1017.61		
		Penalty	323.14		
	Reverse Charge Mechanism (RCM) on towing of barges along with security services, salvage operations, and guaranteed repair obligations.	Service Tax	279.46	2012-13 to 2016-17	
		Interest*	556.19		
		Penalty	279.56		
	Differential turnover in ship repair activities (incl. adoption of lesser assessable value), and disallowance of CENVAT credit availed and utilized.	Service Tax	150.57	2015-16	Commissioner (Appeals)
		Interest*	228.51		
		Penalty	15.06		
Finance Act,1994 (Service Tax)	Levy of Service Tax on the Training fee received by the yard from the Marine Engineering Training Institute (METI) run by the Company	Service Tax	51.24	2016-17 to 2017-18 (upto June 2017)	Commissioner (Appeals)
		Interest	65.81		
		Penalty	5.1		
The Kerala Value Added Tax Act, 2003**	Additions in Taxable Turnover	Tax	787.32	2015-16	Deputy Commissioner of State Tax, Ernakulam
		Interest	582.62		
The Customs Act,1962 The Customs Act,1962	Classification of Drawings & Plan for Indigenous Aircraft Carrier	Duty	269.30	March 2016 to Dec 2016	CESTAT, Bangalore CESTAT,Bangalore
		Duty	103.97	April 2017	
		Duty	306.97		
		Duty	789.71		
		Duty	762.48		
		Duty	1,790.93		
		Duty	230.54	Nov 2017	
		Tax (IGST)	296.26		
		Duty	89.59	June 2018	
		Tax (IGST)	108.48		
		Duty	238.96	December 2018	
		Surcharge	23.90		
		Tax (IGST)	318.30		
		Duty	191.22	June 2018	
		Tax (IGST)	231.55		

Nature of the statute	Nature of Dues		Amount (in lakhs) Disputed	Period to which the amount relates	Forum where dispute is pending
	Wrong claim of basic customs Duty Exemption Vide Notification No.50/ 2017 and Incorrect claim of 5% IGST Input Tax Credit Vide Notification No.1/ 2017	Duty #	5,857.03	July 2017	
		Interest	2,424.43		
		Duty	629.34	August 2017 to October 2017	
		Interest	128.97		
		Penalty	230.00		
Central Goods and Service Tax Act, 2017 #	Ineligible Input Tax Credit availed and utilised	Tax	83.75	April 2018 to March 2022	Commissioner (Appeals), Central Tax & Central Excise
		Penalty	8.38		
	Ineligible Input Tax Credit availed and utilised and short payment of RCM	Tax	9.89		
		Penalty	9.89		
Income Tax Act,1961	Disallowance of Expenditures/ Provisions/ Deductions		126.26	2009-10	Commissioner of Income Tax (Appeals)
			911.07	2013-14	
			331.77	2016-17	
			20.76	2017-18	
Department Appeal's					
Finance Act,1994 (Service Tax)	Erroneous remittance of service tax on the amount of Management fee/ handling charges received/ accounted from Indian Navy	Service Tax	376.67	2003-04 to 2008-09	CESTAT, Bangalore
	Differential turnover in ship repair activities (incl. adoption of lesser assessable value), and disallowance of CENVAT credit availed and utilized.	Service Tax	2,339.64	2012-13 to 2014-15	

* Interest on Service Tax cases, where Company has gone for appeal worked out approximately.

**Rectification petition filed by the Company.

Department has filed an appeal for non-confiscation of goods under section 111(m) & (o) and non-levy of penalty under section 112(a) of the Customs Act,1961.

For **Babu A. Kallivayalil & Co.,**
Chartered Accountants,
Firm Registration No. 05374S

Alexander Nallanickal Koshy
Partner,
Membership No. 007448
UDIN: 26007448ZHJUZE3490

Kochi
May 15, 2026

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF COCHIN SHIPYARD LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of financial statements of Cochin Shipyard Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 15.05.2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Cochin Shipyard Limited for the year ended 31 March 2026 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the financial statements by the management, as indicated in Note Nos. 48 A (c) (v) and 48 C of the Standalone Financial Statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(S. Velliangiri)
Principal Director of Audit, Shipping

Place: Chennai
Date: 14.08.2026

Standalone Balance Sheet

as at March 31, 2026

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	2,91,868.86	2,79,303.10
(b) Capital Work-In-Progress	5	58,349.16	51,078.79
(c) Intangible Assets	6	608.04	1,077.91
(d) Intangible Assets Under Development	7	68.06	68.06
(e) Financial Assets			
(i) Investments	8	47,481.87	35,852.42
(ii) Loans	9	1,124.98	551.52
(iii) Other Financial Assets	10	183.15	160.73
(f) Income Tax Assets (net)	11	2,946.83	2,946.83
(g) Deferred Tax Assets (net)	12	-	7,295.94
(h) Other Non-current Assets	13	1,176.94	1,234.71
Total Non-Current Assets		**4,03,807.89**	**3,79,570.01**
Current Assets			
(a) Inventories	14	2,14,233.63	1,76,096.42
(b) Financial Assets			
(i) Trade Receivables	15	41,166.30	22,527.71
(ii) Cash and Cash Equivalents	16	678.55	31,083.37
(iii) Bank balances other than (ii) above	17	2,27,024.39	2,71,038.29
(iv) Loans	18	163.99	644.33
(v) Other Financial Assets	19	5,978.07	22,829.29
(c) Current Tax Assets (net)	11	10,230.22	-
(d) Other Current Assets	20	5,04,054.94	4,00,759.81
Total Current Assets		**10,03,530.09**	**9,24,979.22**
Assets held for sale	21	**1,469.50**	**-**
Total Assets		**14,08,807.48**	**13,04,549.23**
EQUITY AND LIABILITIES			
Equity :			
(a) Equity Share Capital	22	13,154.04	13,154.04
(b) Other Equity	23	5,76,128.80	5,47,911.16
Total Equity		**5,89,282.84**	**5,61,065.20**
Liabilities :			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	2,302.20	2,302.20
(ii) Lease Liabilities	25	52,386.32	44,755.75
(b) Provisions	26	5,294.64	5,229.78
(c) Deferred Tax Liabilities (net)	12	6,625.64	-
(d) Other Non Current Liabilities	27	940.12	5.72
Total Non-Current Liabilities		**67,548.92**	**52,293.45**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	28	99,246.59	-
(ii) Lease Liabilities	29	3,527.25	3,025.42
(iii) Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	30	10,520.16	9,006.09
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		79,939.28	20,291.28
(iv) Other Financial Liabilities	31	28,638.54	28,477.23
(b) Other Current Liabilities	32	4,68,510.53	5,22,613.50
(c) Provisions	33	61,593.37	1,05,129.26
(d) Current tax liabilities (net)	11	-	2,647.80
Total Current Liabilities		**7,51,975.72**	**6,91,190.58**
Total Equity and Liabilities		**14,08,807.48**	**13,04,549.23**
Corporate overview and Material Accounting Policy Information	1 - 3		
Notes to the Standalone Financial Statements	4 - 71		

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Standalone Statement of Profit & Loss

For the Year ended March 31, 2026

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	**Income**			
	Revenue From Operations	34	430769.07	452784.15
	Other Income	35	40457.20	38044.61
	Total Income		**471226.27**	**490828.76**
II	**Expenses:**			
	Cost of Materials Consumed	36	184018.15	198159.38
	Changes in Inventories of Work-in-Progress	37	76.26	(76.26)
	Sub Contract and Other Direct Expenses	38	94074.86	79265.04
	Employee Benefits Expenses	39	44524.52	40373.69
	Finance Costs	40	8316.03	3644.93
	Depreciation and Amortisation Expenses	41	11083.22	8364.37
	Other Expenses	42	36846.33	35099.66
	Provision for Anticipated Losses and Expenditure	43	3647.09	12613.41
	Total expenses		**382586.46**	**377444.22**
III	**Profit Before Exceptional items and tax**		**88639.81**	**113384.54**
IV	Exceptional Items		-	-
V	**Profit Before Tax**		**88639.81**	**113384.54**
VI	**Tax Expense:**			
	(1) Current Tax	11	8851.00	29550.79
	(2) Income Tax of prior years	11	(1948.53)	875.11
	(3) Deferred Tax	11	17433.00	(1332.00)
VII	**Profit For The Year**		**64304.34**	**84290.64**
VIII	**Other Comprehensive Income**			
	A) Items that will be reclassified to profit or loss			
	i) Effective portion of gains/losses on cash flow hedging instruments		(13627.44)	65.96
	ii) Income tax relating to items that will be reclassified to profit or loss		3429.93	(16.60)
	B) Items that will not be reclassified to profit or loss			
	i) Remeasurements of defined employee benefit obligations		(323.51)	(291.60)
	ii) Changes in fair value of FVTOCI equity instruments		3.23	6.71
	iii) Income tax relating to items that will not be reclassified to profit or loss		81.49	73.39
	Other Comprehensive Income for the year		**(10436.30)**	**(162.14)**
IX	**Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)**		**53868.04**	**84128.50**
X	**Earnings per Equity Share of ₹5 each :**	44		
	(1) Basic (₹)		24.44	32.04
	(2) Diluted (₹)		24.44	32.04
	Corporate overview and Material Accounting Policy Information	1 - 3		
	Notes to the Standalone Financial Statements	4 - 71		

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	**88,639.81**	**1,13,384.54**
Adjustments for :		
Exceptional items		-
Depreciation and amortisation expense	11,083.22	8,364.37
Dimunition in value of Loose tools	231.78	151.97
Finance cost	8,316.03	3,644.93
Interest income	(16,496.17)	(19,203.15)
Provision for anticipated losses and expenditure	3,429.39	11,953.82
Provision no longer required	(20,762.27)	(14,054.34)
Loss allowance for Trade Receivables	217.70	659.59
Dividend income from Mutual Funds	(148.87)	(72.78)
Dividend income from preference shares	(348.54)	(331.74)
Loss on sale/write off of Property, Plant and Equipment (PPE)	112.54	5.65
Profit on sale of PPE	-	(23.90)
Deferred Govt. Assistance	(1.14)	(1.14)
Net gain /(loss) on foreign currency/ derivative transactions	(7,637.26)	87.62
Bad Debts written off	-	8,614.55
Operating cash flow before working capital changes	**66,636.22**	**1,13,179.99**
Movements in working capital :		
(Increase) / decrease in inventories	(38,137.21)	(80,202.44)
(Increase) / decrease in trade, other receivables and assets	(1,19,961.09)	(85,876.62)
decrease in trade and other payables	(20,759.46)	41,484.14
	(1,12,221.54)	**(11,414.93)**
Income tax paid net of refunds	(13,062.36)	(14,611.78)
Net cash flows from operating activities (A)	**(1,25,283.90)**	**(26,026.71)**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(5,565.58)	(14,657.89)
(Increase) / decrease in Intangible assets under development	-	(7.42)
(Increase) / decrease in capital work In progress	(8,271.21)	(9,531.97)
(Increase) / decrease in Other Bank balances	44,013.90	82,773.79
(Increase) / decrease in Capital advance	(9,475.44)	(19,472.21)
Dividend received	148.87	72.78
Loan to UCSL (Subsidiary)	(500.00)	
Repayment of Loan by UCSL (Subsidiary)	513.22	-
Investment in NCD of DCI	(11,148.00)	
Sale proceeds from PPE	33.64	35.72
Interest received	18,573.72	22,135.78
(Borrowings)/ Repayment of loans	(105.65)	(43.24)
Net cash flows from investing activities (B)	**28,217.47**	**61,305.34**
C. Cash flow from financing activities		
Repayment of lease liability	(3,461.47)	(2,926.97)
Dividend paid	(25,650.38)	(25,650.38)
Proceeds from WCDL/Short term borrowing	4,02,861.60	
Repayment of WCDL/Short term borrowing	(3,03,615.01)	
Finance cost	(3,473.13)	(201.18)
Net cash flows from financing activities (C)	**66,661.61**	**(28,778.53)**
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(30,404.82)**	**6,500.10**
Cash and cash equivalent at the beginning of the year	**31,083.37**	**24,583.27**
Cash and cash equivalent at the end of the year	**678.55**	**31,083.37**

Standalone Statement of Cash Flows

for the year ended March 31, 2026

Cash Flow Reconciliation:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash and cash equivalents at the Balance sheet consists of		
Balance with Banks		
In current account	678.55	1,483.37
Term deposits with original maturity of less than three months	-	29,600.00
Total	**678.55**	**31,083.37**
Cash and cash equivalents for the purpose of Statement of Cash flows	**678.55**	**31,083.37**

1. Statement of Cash Flows are prepared and presented using the Indirect Method, whereby profit/loss before tax is adjusted for the effect of transactions of non-cash nature and , any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financial cash flows. The cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

2. For the purpose of statement of cash flow, Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less (other than lien marked deposits), which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any. Bank overdrafts, if any, are disclosed within borrowings in current liabilities in the Balance Sheet

Corporate overview and Material Accounting Policy Information 1 - 3

Notes to the Standalone Financial Statements 4 - 71

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
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Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

A. Equity Share Capital

(₹ in lakhs)

Balance as at April 01,2025	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	As at March 31, 2026
13,154.04	0.00	0.00	0.00	13,154.04

Standalone Statement of Changes in Equity for the year ended March 31, 2025

(₹ in lakhs)

Balance as at April 01,2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	As at March 31, 2025
13,154.04	0.00	0.00	0.00	13,154.04

B. Other Equity

Standalone Statement of Changes in Equity for the year ended March 31, 2026

(₹ in lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Effective portion of Cash Flow Hedges	
Balance as at April 01, 2025	**263.56**	**93,151.89**	**6,322.75**	**4,36,688.10**	**12,353.76**	**-**	**(868.90)**	**5,47,911.16**
Profit for the year				64,304.34				64,304.34
Other comprehensive income for the year				(238.79)			(10,197.51)	(10,436.30)
Total comprehensive income for the year				**64,065.55**	**-**	**-**	**(10,197.51)**	**53,868.04**
Dividends				(25,650.38)				(25,650.38)
Transfer to retained earnings							-	0.00
Amortisation of premium		(0.02)						(0.02)
Balance as at March 31, 2026	**263.56**	**93,151.87**	**6,322.75**	**4,75,103.27**	**12,353.76**	**-**	**(11,066.41)**	**5,76,128.80**

Refer Note 23 for further details

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

B. Other Equity (Contd..)

Standalone Statement of Changes in Equity for the year ended March 31, 2025

(₹ in lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Effective portion of Cash Flow Hedges	
Balance as at April 01, 2024	**263.56**	**93,151.90**	**6,322.75**	**3,78,259.34**	**12,353.76**	**-**	**(918.26)**	**4,89,433.05**
Profit for the year				84,290.64				84,290.64
Other comprehensive income for the year				(211.50)			49.36	(162.14)
Total comprehensive income for the year				**84,079.14**			**49.36**	**84,128.50**
Dividends (including taxes)				(25,650.38)				(25,650.38)
Transfer to retained earnings						-	-	0.00
Amortisation of premium		(0.01)						(0.01)
Balance as at March 31, 2025	**263.56**	**93,151.89**	**6,322.75**	**4,36,688.10**	**12,353.76**	**-**	**(868.90)**	**5,47,911.16**

Refer Note 23 for further details

Corporate overview and Material Accounting Policy Information 1 - 3

Notes to the Standalone Financial Statements 4 - 71

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

1. CORPORATE OVERVIEW AND MATERIAL ACCOUNTING POLICY INFORMATION

1.1 Corporate Information:

Cochin Shipyard Limited (referred to as "CSL" or "the Company") is one of the leading shipyards in India, located in the southern state of Kerala. The Company was founded in 1972 and is owned by the Government of India. The Company is primarily engaged in shipbuilding and ship repair, catering to both the domestic and international markets.

The Company is a "Miniratna", Schedule-"A", Category-I CPSE, which is also a public limited Company incorporated and domiciled in India. The registered office of the Company is at Perumanoor, Kochi, Kerala.

As at March 31, 2026, the Government of India holds 67.91% of the Company's equity share capital. The Company's equity shares are listed for trading on NSE Limited and BSE Limited in India and tax-free bonds are listed for trading on BSE Limited.

The Financial Statements for the year ended March 31,2026 were approved by the Board of Directors and authorized for issue on May 15, 2026 which are subject to the supplementary audit by the Comptroller & Auditor General of India (C&AG) and final approval of the shareholders.

2. Basis of preparation and presentation of Financial Statements

2.1 Statement of compliance

These Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other Accounting Principles generally accepted in India.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013 (the Act). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2.2 Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and all values are rounded to the nearest Lakhs (rounded off to two decimals) as permitted by Schedule III of the Act except when otherwise indicated.

2.3 Basis of Measurement

These Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

Current/ Non-Current Classification

An Asset/ liability is classified as current if it satisfies any of the following conditions:

i. the asset/ liability is expected to be realized/ settled in the Company's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/ liability is held primarily for the purpose of trading;

iv. the asset/ liability is expected to be realized/ settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle of different business activities as follows:

(i) In case of ship building and ship repair, normal operating cycle is considered vessel wise, as the time period from the effective date of contract to the date of expiry of warranty period.

(ii) In the case of other business activities, normal operating cycle is 12 months.

2.4 Use of estimates and judgments

The preparation of the Financial Statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the Financial Statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialize.

The estimates and underlying assumptions are reviewed on an ongoing basis.

2.5 Critical Accounting estimates and judgments:

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the Financial Statements have been disclosed below:

a) Valuation of deferred tax assets / liabilities

The Company reviews the carrying amount of deferred tax assets / liabilities at the end of each reporting period. Significant judgments are involved in determining the elements of deferred tax items.

b) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgments in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

For computation of lease liability, Ind AS 116 requires lessee to use their incremental borrowing rate as discount rate if the rate implicit in the lease contract cannot be readily determined.

For leases denominated in Company's functional currency, the Company considers the incremental borrowing rate to be the interest rate on borrowings from banks available to the Company.

c) Provision towards Guarantee repairs

A provision is made towards guarantee repairs/claims in respect of newly built ships/small crafts delivered and repaired ships on the basis of the technical estimation done by the Company. The guarantee claims received from the ship owners are reviewed every year till settlement of the same. In case of a shortfall / surplus in the provision made earlier, necessary adjustments are made.

d) Litigations

From time to time, the Company is subject to legal proceedings and the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the liability to make a reasonable estimate of the amount of potential loss. Provision for litigations are reviewed at the end of each accounting period and revisions made for the changes in facts and circumstances.

e) Fair value measurements

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

f) Liquidated Damages

Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

g) Revenue Recognition

The Company exercises significant judgment in measuring progress of performance obligations satisfied over time for recognition of revenue from contracts with customers.

Revenue is recognized over time by measuring the work carried out or survey of performance completed to date under output method. Under this method, works completed to date in each contract are the basis to measure and recognize revenue. The quantum is calculated by each project team based on the technical progress up to the reporting date. The revenue recognized reflects the value of works completed/ measured to date in line with the consideration as determined in the respective contracts.

Provision for estimated losses if any, on the uncompleted part of the contracts are provided in the period in which such losses become probable based on the expected contract estimates at the reporting date.

h) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the Government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post employment benefit obligations.

3. Material Accounting Policy Information

The Company has consistently applied all the accounting policies to the period presented in this Financial Statements except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company presents the material accounting policies under this note, which should be read in conjunction with the information presented and disclosed in the relevant notes referred under these standalone Financial Statements and are considered to be "Material Accounting Policy Information".

3.1 Property , Plant and Equipment (PPE)

Recognition and Measurement:

Items of Property, Plant and Equipment are measured at cost, which includes capitalized borrowing costs,

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

less accumulated depreciation and any accumulated impairment losses. For the items of Property, Plant and Equipment existing as on April 1, 2015 i.e Company's date of transition to IndAS, was carried at deemed cost ie carrying amount as at that date.

If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment.

Spare Parts are capitalized when they meet the definition of Property, Plant and Equipment, i.e., when the Company intends to use these for a period exceeding 12 months, have value of more than ₹5 Lakhs and that can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalized and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower.

Any gain or loss on disposal of an item of Property, Plant and Equipment is recognized in the Statement of Profit and Loss account.

Subsequent Expenditure:

Subsequent costs are included in the asset's carrying amount or recognized as a separate 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 items is material and can be measured reliably.

3.2 Capital work in progress

Capital work in progress are Property, Plant and Equipment that are not yet ready for their intended use at the reporting date, which are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital work in Progress ('CWIP').

3.3 Intangible Assets

Design development: Cost incurred on Design Development which is not directly chargeable on a product are capitalized as Intangible Asset and amortized on a straight-line basis over a period of five years.

Software: Cost of software which is not an integral part of the related hardware acquired for internal use is capitalized as intangible asset and amortized on a straight-line basis over a period of three years.

Internally generated procedure: Cost of internally generated weld procedure is capitalized as Intangible Asset and amortized on a straight-line basis over a period of three years.

For the intangible assets existing as on April 1, 2015 i.e Company's date of transition to IndAS, was carried at deemed cost ie carrying amount as at that date.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

3.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company's lease asset classes primarily consist of leases for Land and Buildings.

i) As a Lessee:

At the date of commencement of the lease, the Company recognizes a lease liability and a corresponding Right-of-Use ("RoU") asset for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis or another systematic basis over the term of the lease.

Right of Use (RoU) Assets

The Right-of-Use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Lease Liabilities

The lease liability is initially measured at the present value of the future lease payments ie., amortised cost under effective interest method.The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of right of use asset, or is recorded in Statement of Profit and Loss, if carrying amount of the right of use asset has been reduced to nil

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the RoU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and RoU assets is also suitably adjusted.

The Company presents right of use assets in 'Property, Plant and Equipment' and the lease liabilities separately from other liabilities in the Balance Sheet.

ii) As a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease.

For operating leases, rental income is recognized on a straight line basis or another systematic basis over the term of the relevant lease .The difference between the amount recognized as lease rental income and actual cashflows receivable as per the lease agreement is adjusted in ("Accrued Lease Rental asset").

3.5 Depreciation

Depreciation on Property, Plant and Equipment is provided on straight-line method based on useful life of the asset as prescribed in part C of Schedule II to the Companies Act, 2013 except to the extent described below:

- For the assets constructed/developed for International Ship Repair Facility (ISRF) and New Dry Dock Project, depreciation is provided on the basis of useful life as assessed by technical experts.
- For the assets acquired from Cochin Port Trust for International Ship Repair Facility (ISRF), depreciation is provided on the basis of remaining useful life as assessed by technical experts.
- Assets on leased premises are depreciated from the commencement date on a straight line basis over the shorter of its end of the useful life of the Right Of Use asset/ Assets on leased premises or the end of the lease term.
- For certain types of buildings and equipments, based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act.

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions and up to the date of such deletions.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% of original cost is considered for all categories of assets.

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Based on the technical evaluation of the management, for few categories of plant and machinery, the useful life is determined on double shift basis.

Capital Work in Progress included under Property, Plant and Equipments are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

3.6 Impairment of Assets -Non Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, available quoted market prices for public traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Inventories

Inventory valuation is as per provisions of Ind AS 2.

Raw materials and components are valued at weighted average cost method . When they are intended to project use, valuation is done at project specific weighted average cost method.

Work in progress have been valued at lower of cost and net realisable value.

Stores and spares are valued at weighted average cost method.

Goods in transit are valued at cost.

3.8 Financial instruments

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

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

a) Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognized at the proceeds received net of direct issue cost.

b) Financial Assets

Initial recognition and measurement

All Financial Assets other than trade receivables are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in three categories:

- Financial assets at amortized cost;

- Financial assets at Fair Value through other comprehensive income (FVTOCI);
- Financial assets at Fair Value through Statement of Profit and Loss (FVTPL);

i) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these 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.

ii) Financial assets at Fair Value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

iii) Financial assets at Fair Value through Statement of Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in Statement of Profit and Loss.

Investments

All equity investments in scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company had made an irrevocable election to present the subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition/ transition and is irrevocable.

There is no recycling/reclassification of the amounts from OCI to the Statement of Profit and Loss, even on sale/disposal of the said equity investments.

Investment in preference shares/debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares. Investment in preference shares/debentures not meeting the aforesaid condition is classified as debt instruments at amortized cost.

Investment in a ‘debt instrument’ is measured at the amortized cost if both the following conditions are met: The asset is held within a business model whose objective is -

(1) To hold assets for collecting contractual cash flows, and

(2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortization is included in other income in the Statement of Profit and Loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial Guarantee Contracts which are not subsequently measured as at FVTPL

c) Lease Receivables under Ind AS 116

Simplified Approach

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on Trade Receivables.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Trade Receivables

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset. A receivable is a right to consideration that is unconditional and only the passage of time is required before the payment of that consideration is due.

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial asset is impaired. Ind AS 109 requires expected credit loss to be measured through a loss allowance.

The Company recognizes lifetime expected credit losses for all trade receivables that do not constitute a financing transaction. Impairment loss allowance is based on a simplified approach as permitted by Ind AS 109. As a practical expedient, the Company uses a provision matrix to determine the impairment loss on the portfolio of its trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Company estimates provision on trade receivables at the reporting date.

Impairment loss allowance (or reversal) that is required to be recognized at the reporting date is recognized as an impairment loss or gain in the Statement of Profit & Loss Account.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial Assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Financial Guarantee Contracts: ECL is presented as a provision in the Balance Sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

c) Financial liabilities

Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortized cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognized immediately in the Statement of Profit and Loss.

The Company's Financial Liabilities include trade and other payables, loans and borrowings including Financial Guarantee Contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at Fair Value through Statement of Profit and Loss (FVTPL);
- Financial liabilities at amortized cost;
- Financial Guarantee Contracts;

i) Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

ii) Financial Liabilities at amortized cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the Effective Interest Rate (EIR) amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

iii) Financial Guarantee Contracts

Financial Guarantee Contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial Guarantee Contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative income recognized in accordance with principles of Ind AS 115.

d) De-recognition of Financial Instruments

A financial asset is de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognized from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in Financial Statements if

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f) Derivative instruments and hedge accounting:

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative that are designated as Hedge Instrument

The Company undertakes foreign exchange forward contracts for hedging foreign currency risks. The Company generally designates the whole forward contract as hedging instrument.

These hedging instruments are governed by the Company's foreign exchange risk management policy approved by the Board of Directors.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of change in the fair value of the designated hedging instrument is recognized in the Other Comprehensive Income ('OCI') and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting.

g) Contract Assets

Where the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset. A contract asset is Company's right to consideration in exchange for goods or services that the Company has transferred to a customer, when that right is conditioned on something other than the passage of time. Contract assets are reviewed for impairment in accordance with Ind AS 109.

h) Contract Liabilities

Where the Company receives consideration, or the Company has a right to an amount of consideration that is unconditional (ie a receivable), before the Company transfers a good or service to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is

Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

3.9 Provisions , Contingent Liabilities and Contingent assets

a) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions (excluding retirement benefits and compensated leave) are not discounted to its present value and are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates.

Warranty obligations included in this type of provisions are not treated as a separate performance obligation, unless the customer has the option of contracting the warranty separately, therefore they are recognized in accordance with Ind AS 37. These provisions are classified as current liabilities since they relate to the operating construction projects cycle, in line with Ind AS 1.

Provision towards guarantee claims in respect of ships delivered wherever provided/ maintained is based on technical estimation. For the ships delivered, guarantee claims are covered by way of insurance policies covering the guarantee period on case-to-case basis, wherever required.

Provisions for anticipated losses are recognized when it becomes apparent that the total costs expected to fulfil a contract exceed expected contract revenues. For the purpose of determining, where appropriate, the amount of the provision, budgeted contract revenue will include the forecast revenue that is considered probable, in line with Ind AS 37 as well as incremental costs. General costs are not directly attributable to a contract and are therefore excluded from the budgeted cost unless they are explicitly passed on to the counterparty in accordance with the contract, in line with paragraph 68 of Ind AS 37.

b) Contingent Liabilities and Contingent Assets

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the Company treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings, Company does not expect them to have a materially adverse impact on the financial position or profitability. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset but discloses its existence in the Financial Statements where an inflow of economic benefits is probable.

3.10. Asset Held for Sale

Non-current assets or disposal groups are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such assets are available for immediate sale in their present condition and their sale is highly probable. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

3.11 Revenue Recognition

a) Revenue from Operations

Revenue from contracts with customers are measured based on the consideration specified in a contract with a customer (ie., transaction price, which is the fair value of consideration received or receivable).

At the first instance, revenue recognition process involves identifying the relevant contracts and technical evaluation of the performance obligations, contained therein.

A single performance obligation is identified in shipbuilding and ship repair segments for each vessel, due to the high degree of integration and customization of the various goods and services forming a combined output that is transferred to the customer over time.

The Company choses the appropriate method of measuring the progress of the completion at the contract inception for recognizing revenue over time, and are applied

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for the year ended March 31, 2026

consistently to similar performance obligations under the respective segments and/or activities carried out thereon.

Recognition of revenue for a performance obligation satisfied over time is made only if the Company can reasonably measure its progress towards complete satisfaction of the performance obligation.

The performance obligations for the Shipbuilding and Ship repair activities carried out by the Company are satisfied over time rather than at a point in time since the Company's performance does not create an asset with an alternative use to the Company i.e. contractual restrictions and practical limitations to readily direct that asset for another use (even in some cases it will be able to do so, it can only be done after significant changes and at significant cost) and it has an enforceable right to payment for performance completed to date.

Revenue is recognized when the Company satisfies performance obligations by transferring promised goods and services to the customer over a period of time using output method based on measurement of physical performance completed to date in respect of contracts with customers for Ship building and Ship repair other than Indigenous Aircraft Carrier (IAC).

In respect of contract with Indian Navy for construction of Indigenous Aircraft Carrier, which is partly 'fixed price basis' and partly 'cost plus basis', the revenue

i) from fixed price portion is recognized using output method .

ii) by way of mark up from cost plus part of the contract for procuring and supply of materials and design outsourcing is recognized when performance obligations as per the terms of the contract are fulfilled upon making payments to the suppliers.

iii) The cost of materials, value of design outsourcing and other expenses incurred for the vessel which are recoverable separately from Navy are charged off to the Statement of Profit and Loss when materials are consumed/activities are performed/expenses are incurred and are simultaneously grossed up with the value of work done and recognized as revenue.

In the case of ship repair contracts involving continuous multiple years maintenance support/ recurring and routine services, the Company opted for time-elapsed output method, i.e, measuring the progress based on time elapsed to reporting date, which is representative of the satisfaction of performance obligation subject to entitlement of consideration in exchange of goods and/or services.

Based on the technical assessment considering the latest available information to the Company, measuring the progress towards complete satisfaction of a performance obligation in the method adopted will be revised/updated on an ongoing basis.

During the initial stages of a contract, where the Company may not be able to reasonably measure the outcome of a performance obligation and the Company expects to recover the costs incurred in satisfying the performance obligation, revenue will be recognized only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Contract modifications are accounted when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Where the goods or services added are not distinct, adjustment to revenue is made on a cumulative catch up basis. Where the goods or services added are distinct, and such additional goods or services are priced at standalone selling prices, the contract modification is accounted for as a separate contract; whereas if the modification is not priced at standalone selling price, the same is accounted as a termination of the existing contract and creation of a new contract.

The Company generally does not recognize any revenue from additional work until it has been approved by the customer. When the scope of work has been approved but the impact on revenue is yet to be valued, the "variable consideration" requirement (as explained below) will apply. This entails recognizing revenue in an amount that is unlikely to be reversed.

If the consideration promised in a contract includes variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages or other similar items, the Company estimates the net amount of consideration to which the Company is entitled in exchange for transferring the promised goods or services to a customer and accounts for the same. The payment terms are based on milestones specified in the respective contracts with customers. On achieving the specified milestones these payments are released.

Revenue from Supply of Base & Depot Spares is recognized based on the satisfaction of performance obligation at a point in time on proof of receipt of goods from customer.

Unlike revenue recognition, amounts billed to the customer are based on the various milestones reached under the contract and on acknowledgement thereof by the customer by means of a contractual document referred to as a progress billing certificate. Therefore, the amounts recognized as revenue for a given year do not necessarily match those billed to or certified by the customer. For contracts in which the revenue recognized exceeds the amount billed or certified, the difference is recognized in as "Contract Asset" under "Other Current Assets", while for contracts in which the revenue recognized is lower than the amount billed or certified, the difference is recognized as "Contract Liability" under "Other Current Liabilities".

Other Operating Revenue with respect to sale of stock items, scrap and consultancy income is recognized at a point in time when the Company satisfies performance obligations and right to receive the income is established as per terms of the contract by transferring promised goods and services to the customer.

Management fee is also recognized over a period of time.

b) Government Grants

Government Grants are recognized when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government Grants are recognized in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognized as deferred income, and amortized over the expected useful life of the asset. Other grants are recognized in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Ship Building Financial Assistance (SBFA) is recognized over a period of time in proportion to the expenses / cost incurred and classified under "Revenue from Operations".

Government Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in statement of profit & loss in the period in which they become receivable.

c) Other income

i) Liquidated damages and interest on advances

No income is recognized on (a) interest on advances given and (b) liquidated damages, where the levies depend on decisions regarding force majeure condition of contract. These are accounted for on completion of contracts and / or when final decisions are taken.

In the case of contracts entered into for execution of capital works having long gestation period, where the extant commercial terms of the contract provides for provision of extending interest bearing mobilisation advance to the service provider for mobilising various resources for timely execution, mobilisation advances are paid and interest is accounted on accrual basis.

ii) Accounting for insurance claims

(i) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under Insurance Policies taken for ship building and ship repair works, the insurance claims lodged are recognized in the Financial Statements in the year in which the survey is completed and the probable amount of settlement is intimated by the insurance Company.

(ii) Other Insurance Policies

In the case of other Insurance Policies like Asset Insurance, Transit Insurance, Marine Insurance, Cash Insurance etc., the claims are recognized in the Financial Statements on settlement of the claims by way of receipt of the amount from the Insurance Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

In the case of Medical insurance, claims are recognized on due basis, based on the claims submitted with the Insurance Company.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

3.12 Employee benefits

Employee benefits consist of salaries and wages, contribution to provident fund, superannuation fund, gratuity fund, National Pension Scheme towards medical assistance, which are short term in nature and contribution towards compensated absences, which is long term in nature.

Post-employment benefit plans

i) Defined Contribution plans

Defined contribution to Employees Pension scheme for eligible employees is made to National Pension Scheme (NPS) and are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

The Company makes contributions to the Cochin Shipyard Employees Mutual Public Welfare Trust and Employees Medical Assistance Trusts, which are charged as expense, as and when they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

ii) Defined benefit plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The fund is managed by the trustees of the Cochin Shipyard Ltd Group Gratuity Trust .The liability or asset recognized in the balance sheet in respect of its defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated periodically by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have terms approximating the terms of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

Provident Fund and Pension Scheme

The Company also makes contribution towards provident fund. The provident fund is administered by the Trustees of the Cochin Shipyard Limited Employees Contributory Provident Fund Trust. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Government under para 60 of the Employees' Provident Fund Scheme, 1952, then the deficiency shall be made good by the Company. The deficiency, if any assessed by the Company based on actuarial valuation will be provided for in the accounts.

Other employee benefits

Compensated absences

The Company has a policy on compensated absence which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is determined by Actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

3.13 Taxes on Income

a) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

b) Current tax

Current tax is measured at the amount of tax expected to be payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act, 1961. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using the tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

c) Deferred tax

Deferred tax is recognized using the Balance Sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

3.14 Operating Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chairman & Managing Director.

The Company has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Ship Building and 2) Ship Repair

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

3.15 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On May 9, 2025, MCA notified the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company has assessed that there is no significant impact on its Financial Statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This amendment has no applicability or impact on the Company's Financial Statements.

Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or noncurrent and non-current liabilities with covenants. The Company has applied the amendments to Ind AS 1 relating to Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants effective from 1 April 2025. The Company is also evaluating the impact of the specific provisions relating to covenant breaches that become effective from 1 April 2026.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 4 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at April 01, 2025	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2026	As at April 01, 2025	For the year	Adjustment/ (withdrawal)	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
a) Owned Assets										
Land (Freehold)	587.54	-	-	587.54	-	-	-	-	587.54	587.54
Buildings	21,778.74	628.27	-	22,407.01	5,279.30	616.86	-	5,896.16	16,510.85	16,499.44
Plant and equipment	50,123.14	3,105.26	1,120.14	52,108.26	15,730.38	1,830.26	995.24	16,565.39	35,542.87	34,392.76
Furniture and fixtures	1,979.93	255.83	44.41	2,191.35	1,134.15	147.06	40.43	1,240.78	950.57	845.78
Vehicles	906.72	60.28	3.57	963.43	512.59	66.35	3.38	575.56	387.87	394.13
Office equipments	942.28	169.00	48.58	1,062.70	544.23	123.97	44.15	624.05	438.65	398.05
Others										
Data Processing Equipments	3,572.99	389.48	120.53	3,841.94	2,195.05	454.37	108.36	2,541.06	1,300.88	1,377.94
Docks and quays	1,06,658.39	2,940.34	-	1,09,598.73	3,137.13	1,940.79	-	5,077.92	1,04,520.81	1,03,521.26
Railway sidings	1.10	-	-	1.10	-	-	-	-	1.10	1.10
Electrical installations	2,572.65	327.26	0.83	2,899.08	1,525.29	179.42	0.32	1,704.39	1,194.69	1,047.36
Drainage and water supply	649.33	-	-	649.33	3.72	10.98	-	14.70	634.63	645.61
Vessels	95.42	-	-	95.42	16.24	5.65	-	21.89	73.53	79.18
Sub Total	**1,89,868.23**	**7,875.72**	**1,338.06**	**1,96,405.89**	**30,078.08**	**5,375.71**	**1,191.88**	**34,261.90**	**1,62,143.99**	**1,59,790.15**
b) Assets on leased premises										
Buildings	2,768.51	149.56	-	2,918.07	1,059.69	145.12	-	1,204.81	1,713.26	1,708.82
Plant and equipment	82,213.45	7,315.29	-	89,528.74	2,496.70	2,994.03	-	5,490.73	84,038.01	79,716.75
Docks and quays	9.62	-	-	9.62	8.35	-	-	8.35	1.27	1.27
Electrical installation	660.38	34.81	-	695.19	359.07	55.33	-	414.40	280.79	301.31
	85,651.96	**7,499.66**	**-**	**93,151.62**	**3,923.81**	**3,194.48**	**-**	**7,118.29**	**86,033.33**	**81,728.15**
Total (a)+(b)	**2,75,520.19**	**15,375.38**	**1,338.06**	**2,89,557.51**	**34,001.89**	**8,570.19**	**1,191.88**	**41,380.19**	**2,48,177.32**	**2,41,518.30**
c) Right Of Use Assets										
Right of Use - Land	41,526.26	7,444.60	-	48,970.86	8,554.48	1,534.18	-	10,088.66	38,882.20	32,971.78
Right of Use - Buildings	186.59	154.74	-	341.33	158.90	38.31	-	197.21	144.12	27.69
Right to use ship repair facility	7,000.00		-	7,000.00	2,214.67	120.11	-	2,334.78	4,665.22	4,785.33
Sub Total	**48,712.85**	**7,599.34**	**-**	**56,312.19**	**10,928.05**	**1,692.60**	**-**	**12,620.65**	**43,691.54**	**37,784.80**
Total(a+b+c)	**3,24,233.04**	**22,974.72**	**1,338.06**	**3,45,869.70**	**44,929.94**	**10,262.79**	**1,191.88**	**54,000.84**	**2,91,868.86**	**2,79,303.10**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

Note 4 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at April 01, 2024	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2025	As at April 01, 2024	For the year	Adjustment/ (withdrawal)	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
a) Owned Assets										
Land (Freehold)	587.54			587.54	-			-	587.54	587.54
Buildings	18,450.18	3,328.56	-	21,778.74	4,701.94	577.36	-	5,279.30	16,499.44	13,748.24
Plant and equipment	21,692.45	28,440.77	10.08	50,123.14	14,201.34	1,534.47	5.43	15,730.38	34,392.76	7,491.11
Furniture and fixtures	1,865.12	115.63	0.82	1,979.93	983.55	150.77	0.17	1,134.15	845.78	881.57
Vehicles	643.29	277.66	14.23	906.72	467.08	57.72	12.21	512.59	394.13	176.21
Office equipment	675.19	267.78	0.69	942.28	433.17	111.47	0.41	544.23	398.05	242.02
Others					-					-
Data Processing Equipments	2,919.04	814.20	160.25	3,572.99	1,970.55	374.88	150.38	2,195.05	1,377.94	948.49
Docks and quays	4,466.45	1,02,191.94	-	1,06,658.39	2,740.19	396.94	-	3,137.13	1,03,521.26	1,726.26
Railway sidings	1.10			1.10	-			-	1.10	1.10
Electrical installation	2,280.77	291.88	-	2,572.65	1,362.38	162.91	-	1,525.29	1,047.36	918.39
Drainage and water supply	23.55	625.78	-	649.33	2.05	1.67	-	3.72	645.61	21.50
Vessels	56.42	39.00	-	95.42	12.22	4.02	-	16.24	79.18	44.20
Sub Total	**53,661.10**	**1,36,393.20**	**186.07**	**1,89,868.23**	**26,874.47**	**3,372.21**	**168.60**	**30,078.08**	**1,59,790.15**	**26,786.63**
b) Assets on leased premises										
Buildings	2,589.68	178.83	-	2,768.51	911.39	148.30	-	1,059.69	1,708.82	1,678.29
Plant and equipment	2,712.28	79,501.17	-	82,213.45	273.21	2,223.49	-	2,496.70	79,716.75	2,439.07
Docks and quays	9.62	-	-	9.62	8.35	-	-	8.35	1.27	1.27
Electrical installation	579.83	80.55	-	660.38	308.17	50.90	-	359.07	301.31	271.66
Sub Total	**5,891.41**	**79,760.55**	**-**	**85,651.96**	**1,501.12**	**2,422.69**	**-**	**3,923.81**	**81,728.15**	**4,390.29**
Total (a)+(b)	**59,552.51**	**2,16,153.75**	**186.07**	**2,75,520.19**	**28,375.59**	**5,794.90**	**168.60**	**34,001.89**	**2,41,518.30**	**31,176.92**
c) Right Of Use Assets										
Right of Use - Land	41,352.45	173.81		41,526.26	7,089.97	1,464.51	-	8,554.48	32,971.78	34,262.48
Right of Use - Buildings	175.48	11.11		186.59	136.78	22.12	-	158.90	27.69	38.70
Right to use - land and ship repair facility	7,000.00			7,000.00	2,004.33	210.34		2,214.67	4,785.33	4,995.67
Sub Total	**48,527.93**	**184.92**	**-**	**48,712.85**	**9,231.08**	**1,696.97**	**-**	**10,928.05**	**37,784.80**	**39,296.85**
Total(a+b+c)	**1,08,080.44**	**2,16,338.67**	**186.07**	**3,24,233.04**	**37,606.67**	**7,491.87**	**168.60**	**44,929.94**	**2,79,303.10**	**70,473.77**

a) Freehold Land includes the value of (a) land allotted on lease basis to (i) Bharatiya Vidya Bhavan (0.69045 hectare) (ii) M/s Indian Oil Corporation Ltd (0.620 hectare) for laying pipeline (iii) land leased to M/s Kochin Air Products (0.30 hectare) and (b) land leased to Kerala State Electricity Board (0.47 hectare).

b) Value of land includes value of buildings acquired along with the land for which depreciation has not been provided as the value is not separately available and most of these buildings are likely to be demolished for putting up facilities for the factory.

c) Freehold land includes landed properties of the Company admeasuring 197.12 ares (487.00 cents) made up of 34.30 ares in Sy No. 713/11, 23.57 ares in Sy No. 713/12, 59.12 ares in Sy No. 713/13, 50.18 ares in Sy No. 714/06, 10.12 ares in Sy No. 714/2, 8.90 ares in Sy No. 714/4 and 10.93 ares in Sy No. 714/5 of land all are lying contiguously in Elamkulam village, Kanayannur taluk, Ernakulam Dist, Kerala provided as security for issue of Tax free bonds.

d) The Company has bearer plants in its premises and other sites which generates nominal income .Cost of such bearer plants cannot be reliably measured and hence these plants were not capitalized.

e) Title deeds of all immovable properties (ie freehold land) are held in the name of the Company.

f) In the case of following properties where the Company is the lessee, lease agreements are duly executed in favour of the lessee with the following exceptions:

   1. The Company has taken 8.12 HA of land (re-measured as 8.1164HA) and 15 HA of water body on lease from Cochin Port Authority (CoPA) on 12 April 2013 (1st phase) .CSL has also taken 8.134 HA of additional land area on lease from CoPA on 16 Nov 2017 (2nd phase).Two lease agreements (ie 1st phase allotment of land/waterbody and 2nd phase allotment of land) were entered between CSL & CoPA and both lease deeds have not been registered.

   2. The Company has executed concessionaire agreements with the Mumbai Port Authority(MBPA) and Syama Prasad Mukherjee Port Authority (SMPA) to Upgrade,Operate and Manage Ship Repair facility at Hughes Dry Dock and specified berths at Indira Dock of MBPA and two dry docks and Berth No.6 of Netaji Subash Dock of SMPA respectively.

      The project site at MBPA is taken on license for 29 years. The license agreement is yet to be registered, as a request submitted for waiver of the stamp duty to the Government of Maharashtra is under consideration.

      The project site at Syama Prasad Mukherjee Port Authority is taken on license for 30 years.As license agreement does not attract stamp duty and registration charges in West Bengal ,Concession Agreement with SMPA has not been registered.

g) The Right to use of land and ship repair facility represents the upfront fee paid to Cochin Port Trust towards setting up of International Ship Repair Facility (ISRF) project, to be depreciated over the period of lease which was further extended based on the date of obtaining of Environmental Clearance. As all environmental clearances for ISRF are obtained as on January 09, 2018, the lease period of 30 years effectively starts from this date.

   During the Financial year 2025-26, the Company executed an addendum to the contract agreement with Cochin Port Trust, extending the lease period for further 30 years ie. Till 08.01.2078. Consequently, Right of use of land and ship repair facility has been remeasured and depreciated over a revised period of 60 years. The lease liability also has been remeasured to reflect the revised payments over the extended 60-year period.

h) In the case of following properties where the Company is the lessee, lease agreements are yet to be executed:

   (1) Staff quarters at Kolkata held in the name of Syama Prasad Mookerjee Port Authority has been allotted to CSL. Lease agreement is yet to be executed.

   (2) Bed of Backwaters- Reclaimed Land (Land/water area) of 1.914' ha has been allotted to CSL by CoPA.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(3) Parking Space to Subcontractors (3.80 Ares) is taken on lease from Mr.K.Pradeep Kumar of which the prevailing lease contract period has been expired on 14.12.2025. Revised lease agreement is yet to be executed.

(4) Additional Berth No. 9 at Indira Dock is alloted to CSL by MBPA (Land Area : 1501.20 Sq. Mtrs. And Water Front Area : 3753 Sq. Mtrs.) for which lease agreement is yet to be executed. The tenure of this lease is coterminus with the existing concession period expiring on 17.01.2048.

i) Registration is pending in case of following leasehold properties:

Description of Property	Area	Held in the name of
Transit House at New Delhi	2,200 sq.ft	Mrs.Anita Singhal
CVO Guest House at Kochi	3,721 sq.ft	Mr.Sree Kumar Nair and Ms. Sunanda Pillai Viswanath
Covered Storage Space at Kakkanad	10,887 sq.ft	Central Warehousing Corporation
	14,854 sq.ft	
	9526 sq. ft.	
	9526 sq. ft.	

j) As at March 31, 2026, there were no plant and equipment (previous year carrying value ₹403.40 Lakhs) which were temporarily idle.

k) The Gross carrying value of assets of ₹19375.00 Lakhs (previous year ₹17918.81 Lakhs) have been fully depreciated, but still are in use.

l) There were no additions on Property, Plant & Equipments on account of Research & development (previous year ₹2.83 Lakhs relating to welding technology).

m) Current year deductions include scrapping / retirement of assets valued at ₹ 146.17 Lakhs (Previous year ₹17.47 Lakhs) which has a Deemed Cost ₹ 1338.05 Lakhs (Previous year ₹186.07 Lakhs). This includes old assets having WDV of ₹107.42 Lakhs retired by the Company on the basis of recommendations of the Committee constituted by the Management to examine and verify the untraceable assets as part of the implementation of the RFID-based asset tagging system.

n) During the financial year, the Company has further capitalised an amount of ₹ 18,060.36 Lakhs (Previous Year: ₹ 79,344.26 Lakhs) and ₹ 4,462.18 Lakhs (Previous Year: ₹ 1,31,938.92 Lakhs) for the projects 'International Ship Repair Facility' and 'New Dry Dock' respectively.

Depreciation on these assets has been calculated considering the useful lives as determined by the management based on technical estimates made and on double shift basis. The useful lives adopted as per technical estimates are detailed in the table below;

International Ship Repair Facility **Useful life in years**

Particulars of Assets	Asset Category as per Schedule II	Useful life as per Companies Act	Useful life estimated by the management
A. Ship lift Components			
Winches ,Control Tower,Ship inhaul/Mooring,Special Tool Kit	Plant & Machinery	10	28
Platform steel work	Plant & Machinery	10	55
Wheel fender	Plant & Machinery	10	17
B. Ship Transfer Components			
Trestles,Bogies,Spare Parts,Special Tool kit	Plant & Machinery	10	28

Particulars of Assets	Asset Category as per Schedule II	Useful life as per Companies Act	Useful life estimated by the management
C. Other assets			
Flat top tower cranes	Plant & Machinery	10	40
Ship lift & Transfer related facility			
Jetty 1,Jetty 2,Connection Jetty,Workstation North,Workstation South	Plant & Machinery	10	28

New Dry Dock **Useful life in years**

Particulars of Assets	Asset Category as per Schedule II	Useful life as per Companies Act	Useful life estimated by the management
Dry Dock Civil	Plant & Machinery	10	60
Pump House	Building	60	60
Caisson Gate	Plant & Machinery	10	60
600T Rail Mounted Gantry Crane	Plant & Machinery	10	40

Note 5 : Capital Work -In -Progress

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Plant and machinery, Buildings and Civil works	54,800.32	37,288.51
Add: Expenditure during construction	1,830.93	1,924.08
Capital yard items	1,717.91	11,865.81
Goods in Transit	-	0.39
Total	**58,349.16**	**51,078.79**

Expenditure during construction

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	1,924.08	12,141.82
Add:Expenses during the year		
Salaries	-	205.27
Depreciation under Ind AS116	-	169.49
Finance cost under Ind AS116	-	544.61
Transferred to PPE	(93.15)	(11,137.11)
Total	**1,830.93**	**1,924.08**

Capital Work -In -Progress (CWIP) includes capital expenditure on Research & development relating to Autonomous Surface Vessel (ASV) amounting to ₹ 757.75 Lakhs (Previous year -Nil).

The Company has been engaged in a pilot Research and Development project under the R&D initiative of the Ministry of Ports, Shipping and Waterways (MoPSW) - ASV- approved for partial funding of ₹2000 Lakhs (Project under execution; vessel under construction).

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

The Company had recognized the net cost incurred on this project (after reducing the grant) as Research & Development (R&D) expenditure in the Statement of Profit and Loss for the year ended March 31, 2025. At that stage, the ownership position was not yet clarified. The MoPSW has now formally clarified that the ownership of this R&D asset rests with the Company.

The ASV is still under construction and has been reclassified as "Capital Work In Progress" until completion.

The Company will continue to monitor developments and review the valuation and classification of these assets in subsequent periods as necessary.

CWIP Ageing schedule as on March 31, 2026

(₹ in lakhs)

Capital Work In Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	38,199.64	17,236.23	1,691.83	1,221.46	58,349.16
Projects temporarily suspended	-	-	-	-	-

CWIP Ageing schedule as on March 31, 2025

(₹ in lakhs)

Capital Work In Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47,158.04	2,827.58	981.63	111.54	51,078.79
Projects temporarily suspended	-	-	-	-	-

Overdue CWIP as on March 31, 2026

(₹ in lakhs)

Capital Work In Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
New Drydock For Large Ships	36,231.01	-	-	-
CKSRU Caisson Gate	1,908.96	-	-	-
MDP Upgradation - CKSRU	35.00	-	-	-
Integrated Security System		138.59	-	-
Electrical System At CKSRU	8.92	-	-	-
500Kwp Grid Connected Solar Power Plant At Various	144.76	-	-	-
10T LLTT Crane	9.46	-	-	-
CCTV Work At SBOC & MCS	1.70	-	-	-

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

Overdue CWIP as on March 31, 2025

(₹ in lakhs)

Capital Work In Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
New Drydock For Large Ships	28,150.79	-	-	-
ISRF	17,772.57	-	-	-
CKSRU Caisson Gate	1,908.96	-	-	-
CMSRU Tower Crane	563.77	-	-	-
Aluminium Roofing Hull Shop	-	393.22	-	-
CNC Plasma Cum Oxy Fuel Plate Cutting Machine	315.48	-	-	-
Tower Crane At CKSRU	264.58	-	-	-
Integrated Security System	204.68	-	-	-
Conference Hall Renovation Of Business Development	117.75	-	-	-
Fire Main System	107.59	-	-	-
EWSB With Socket Outlet 4 Hc Bbt Hc Bay	102.01	-	-	-
Construction Of Skid For Block Fabrication At SSD	71.27	-	-	-
300KWP Solar Power Plant Near General Store	68.66	-	-	-
Replacement Of 5/Hc Bbt At Hc Bay Of Hull	46.01	-	-	-
Load Cell 150 T Crane	38.02	-	-	-
DSL System For Eot Crane	36.20	-	-	-
Switch Boards At Engine Shop And Machine Shop	25.56	-	-	-
Fixing Of Gratings In BD Pump Pit	20.47	-	-	-
DSL System For 50T Crane	20.11	-	-	-
Remodelling Gates,Visitors Centre,Golden Plaza	6.90	-	-	-
Mezzanine Floor In Hdd Building at CMSRU	2.50	-	-	-
Designing Of Movable Shed	2.31	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 6 : Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at April 01, 2025	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2026	As at April 01, 2025	For the year	Adjustment/ (withdrawal)	As atMarch 31, 2026	As at March 31, 2026	As at March 31, 2025
Internally generated weld procedure	27.67			27.67	27.67			27.67	-	-
Computer software	4,964.56	350.56		5,315.12	3,886.65	820.43		4,707.08	608.04	1,077.91
Total	**4,992.23**	**350.56**	**-**	**5,342.79**	**3,914.32**	**820.43**	**-**	**4,734.75**	**608.04**	**1,077.91**

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st Apr 2024	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2025	As at 1st Apr 2024	For the year	Adjustment/ (withdrawal)	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Internally generated weld procedure	27.67	-	-	27.67	27.67	-	-	27.67	-	-
Computer software	4,579.26	385.30	-	4,964.56	2,844.66	1,041.99	-	3,886.65	1,077.91	1,734.60
Total	**4,606.93**	**385.30**	**-**	**4,992.23**	**2,872.33**	**1,041.99**	**-**	**3,914.32**	**1,077.91**	**1,734.60**

Note 7 : Intangible assets under development

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible assets under development	68.06	68.06
Total	**68.06**	**68.06**

Intangible assets under development Ageing schedule as on March 31, 2026

(₹ in lakhs)

Intangible assets under development	Amount in IAUD for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	7.43	-	60.63
Projects temporarily suspended	-	-	-	-

Intangible assets under development Ageing schedule as on March 31, 2025

(₹ in lakhs)

Intangible assets under development	Amount in IAUD for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	7.43	-	32.18	28.45
Projects temporarily suspended	-	-	-	-

Overdue Intangible assets under development as on March 31, 2026

(₹ in lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Repository - CANSRU	68.06			

Overdue Intangible assets under development as on March 31, 2025

(₹ in lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Repository - CANSRU	68.06			

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 8 : Investments-Non Current

(₹ in lakhs)

Particulars	Face value per unit	Number of units as on March 31, 2026	Number of units as on March 31, 2025	As at March 31, 2026	As at March 31, 2025
Unquoted (Fully Paid up)					
Investment in equity instrument					
a) At Cost					
Equity shares in subsidiary companies					
Hooghly Cochin Shipyard Ltd	10	14,00,00,000	14,00,00,000	13,935.34	13,935.34
Udupi Cochin Shipyard Limited (Formerly Tebma Shipyards Ltd)	10	10,80,00,000	10,80,00,000	10,800.00	10,800.00
b) At Fair Value Through Other Comprehensive Income					
Cochin Shipyard Employees Consumer Co-operative Society Limited 2175 'B Class' shares	100	2,175	2,175	2.18	2.18
Kerala Enviro Infrastructure Limited	10	70,000	70,000	20.31	17.08
Cochin Waste 2 Energy Private Limited	10	1,00,000	1,00,000	0.00	0.00
Investment in Debt Instruments					
a) At AmortisedCost					
6% Cumulative Redeemable Preference Shares of M/s Hooghly Cochin Shipyard Limited (Hooghly-CSL) a subsidiary of Cochin Shipyard Ltd, (Redemption at any time at the option of the Company but not later than 10 years from the date of allotment.)	10	5,60,00,000	5,60,00,000	7,229.00	6,880.46
6.15% Non Convertible Debentures (NCD) of M/s Hooghly Cochin Shipyard Limited (Hooghly-CSL) a subsidiary of Cochin Shipyard Ltd (The duration of the debentures is 120 months with an option to redeem after 5 years from the date of allottment)	1000	3,10,000	3,10,000	3,198.72	3,198.72
6% Non Convertible Debentures (NCD) of M/s Udupi Cochin Shipyard Ltd. (Formerly Tebma Shipyards Limited) a subsidiary of Cochin Shipyard Ltd (Redeemable at par at the end of 84 months)	1000	1,00,000	1,00,000	1,018.64	1,018.64
7.72% Non Convertible Debentures (NCD) of M/s Dredging Corporation of India Ltd. (DCIL) (Redeemable at par at the end of 10 years)	100000	11,148	-	11,277.68	-
Total				**47,481.87**	**35,852.42**
Aggregate value of quoted investments and market value thereof				-	-
Aggregate value of unquoted investment				47,481.87	35,852.42
Aggreagate amount of impairment in value of investments				10.00	10.00

a) Considering the indicators of the value of an investment such as investee's assets, results etc. a decline, other than temporary, in the value of investment in Cochin Waste 2 Energy (P) Ltd is noticed and accordingly fair value is considered as Nil. Similarly, increase in value of investment in Kerala Enviro Infrastructure Limited is noticed and accordingly investment is fair valued.

b) The Company's Investment in Cochin Shipyard Employees Consumer Co-operative Society Limited are non-participative shares and normally does not carry any voting rights. Hence, the Company has carried this investment at its transaction value considering to be its fair value.

c) The Company had invested in the equity share capital of Hooghly Cochin Shipyard Limited (Hooghly-CSL), a sum of ₹ 13,935.34 Lakhs, comprising of 14,00,00,000 shares of ₹ 10 each, during the period from 2017 to 2024. Out of the above 11,80,00,000 shares of ₹ 10 each were acquired through rights share.

d) The Company had acquired Tebma Shipyards Limited, now renamed as Udupi Cochin Shipyard Limited (Udupi-CSL), by an Order of NCLT, Chennai by investing ₹ 6500.00 Lakhs comprising of 6,50,00,000 shares of ₹10 each.The Company had made further investment of ₹2500.00 Lakhs comprising of 2,50,00,000 shares of ₹ 10 each during FY 2022-23 and ₹ 1800.00 Lakhs comprising of 1,80,00,000 shares of ₹ 10 each during FY 2023-24 both on a rights basis in UCSL.

e) The equity shares issued on rights basis shall rank pari passu with the existing equity shares of the Company in all respects.The above investment are accounted at cost in accordance with IND AS 27-Separate Financial Statement.

f) In February 2026, the Company invested in 11,148 Secured, Unrated, Unlisted, Redeemable, Non-Convertible Debentures (NCD) of Dredging Corporation of India Limited (DCIL) having a face value of ₹ 1,00,000 each, aggregating to ₹ 11,148.00 Lakhs. Mode of placement of the NCDs were private placement. The NCDs carry a coupon rate of 7.72% per annum and are redeemable at par at the end of 10 years from the date of allotment, with an option available to DCIL to redeem the NCDs earlier at the end of 5 years. Subscription to NCD was part of the agreement to enable DCI to fund the 12,000 Cu.M Trailer Suction Hopper Dredger (TSHD) "DR-Godavari", under the Shipbuilding Contract entered into between DCIL and CSL.

The Debentures are secured by pari-passu hypothecation and charge over all contractual rights and benefits arising out of the said contract during the pre-delivery period. Upon completion of construction and delivery of the Dredger, the security shall be on the dredger so delivered.

Note 9: Loans - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good:		
(a) Loans to related parties		
Udupi Cochin Shipyard Ltd*	500.00	-
(b) Other Loans		
Loan to employees		
Related parties	3.71	-
Others	621.27	551.52
Total	**1124.98**	**551.52**

No signficant increase in credit risk or credit impairment

*The Company infused ₹ 500 Lakhs as unsecured loan to Udupi Cochin Shipyard Ltd on 06.10.2025, carrying an interest rate of 6.25% p.a. for a tenure of 5 years.

Note 10: Other Financial Assets - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	144.45	122.81
Accrued Lease Rental Asset	38.70	37.92
Total	**183.15**	**160.73**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 11: Income tax assets / (liability) (net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non current tax assets		
Income Tax Assets net of provisions	2,946.83	2,946.83
Current tax assets / (liabilities)		
Advance income tax net of provisions	10,230.22	(2,647.80)

Income tax recognised in the Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax:		
Current income tax charge	8,851.00	29,550.79
Adjustment in respect of prior years	(1,948.53)	875.11
Total (A)	**6,902.47**	**30,425.90**
Deferred tax:		
In respect of current year	17,433.00	(1,332.00)
Total (B)	**17,433.00**	**(1,332.00)**
Income tax expense recognised in the Statement of Profit and Loss (A+B)	**24,335.47**	**29,093.90**

(₹ in lakhs)

Income tax recognised in the Other Comprehensive Income	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax:		
Arising on income and expenses recognised in Other Comprehensive Income	-	-
Effective portion of gain/loss on cash flow hedges	(3,429.93)	-
Remeasurement of defined benefit obligations	(81.49)	-
Total	**(3,511.42)**	**-**
Income tax recognised in the Other Comprehensive Income	**(3,511.42)**	**-**

The income tax expense for the year can be reconciled to the accounting profit as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	88,639.81	1,13,384.54
Income tax expense calculated at respective applicable rates	22,308.87	28,536.62
Effect of expenses that are not deductible in determining taxable profit	3,519.32	7,932.16
Effect of expenses that are allowable in determining taxable profit	(13,738.96)	(7,343.52)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	450.25	393.76
Others	(3,688.48)	31.77
	8,851.00	**29,550.79**
Adjustments recognised in the current year in relation to the current tax of prior years	(1,948.53)	875.11
Adjustments for changes in estimates of deferred tax assets	17,433.00	(1,332.00)
Income tax expense recognised in the Statement of Profit and Loss	**24,335.47**	**29,093.90**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

Note 12: Deferred tax Assets/(Liabilities) (net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities	(14,430.31)	(6,952.68)
Deferred tax assets	7,804.67	14,248.62
Total	**(6,625.64)**	**7,295.94**

Deferred tax Assets/(Liabilities) in relation to FY 2025-26

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Recognised in Statement of OCI	Closing Balance
Provisions	11,767.57	(5,151.57)	-	-	6,616.00
Property, plant and equipment	(6,924.46)	(7,253.32)	-	-	(14,177.78)
Intangible assets	(29.95)	106.27	-	-	76.32
Leased Assets	2,814.84	832.27	-	-	3,647.11
Leased Liabilities	(733.62)	(137.96)	-	-	(871.58)
Others	401.56	(5,828.69)	-	3,511.42	(1,915.71)
Total	**7,295.94**	**(17,433.00)**	**-**	**3,511.42**	**(6,625.64)**

Deferred tax Assets/(Liabilities) in relation to FY 2024-25

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Recognised in Statement of OCI	Closing Balance
Provisions	6,187.27	5,580.30	-	-	11,767.57
Property, plant and equipment	(1,551.39)	(5,373.07)	-	-	(6,924.46)
Intangible assets	(258.36)	228.41	-	-	(29.95)
Leased Assets	2,287.08	527.76	-	-	2,814.84
Leased Liabilities	(670.46)	(63.16)	-	-	(733.62)
Others	(30.20)	431.76	-	-	401.56
Total	**5,963.94**	**1,332.00**	**-**	**-**	**7,295.94**

Note 13: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Capital advances*	907.90	1,004.51
Advances other than capital advances:		
Security deposits	269.04	230.20
Total * **	**1,176.94**	**1,234.71**

* Includes advance given to subsidiaries ₹ 484.00 Lakhs (previous year - ₹484.00 Lakhs)

The Company has given capital advances amounting to ₹132.03 Lakhs towards procurement of materials, equipments, machineries, services etc to the vendors/service providers which are fully covered by bank guarantees of an equal amount issued by the commercial banks and the guarantees are enforceable.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 14 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials and components	1,94,624.52	1,53,773.13
Work in Progress	-	76.26
Goods-in transit	17,190.98	19,384.59
	2,11,815.50	**1,73,233.98**
Stores & Spares	1,209.78	1,255.36
Goods-in transit	-	630.36
	1,209.78	**1,885.72**
Loose tools	1,208.35	976.72
Total *	**2,14,233.63**	**1,76,096.42**

Stores & Spares represents spares of general nature and are not related to a particular asset.

* Includes Materials Pending Inspection as on March 31, 2026 comes to ₹11429.13 Lakhs (previous year ₹14426.93 Lakhs)

Inventories include goods amounting to ₹ 7695.04 Lakhs held at M/s BEL premises as on March 31, 2026 (Previous Year ₹ Nil). The Company has obtained legal ownership and control over these goods, with insurance and security maintained by the bailee. The goods are classified under Raw Materials and components in the ordinary course of business.

Inventories include Loose Tools amounting to ₹ 1208.35 Lakhs (Previous Year ₹ 976.72 Lakhs) reclassified by the Company during the Financial Year 2025-26, in compliance with the Schedule III of Companies Act, 2013.

Note 15 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Considered good:		
Trade Receivables considered good - Unsecured	41,166.30	22,527.71
Trade Receivables which have significant increase in Credit Risk	512.23	2,546.47
Less: Allowance for Expected credit loss	(512.23)	(2,546.47)
Trade Receivables - Credit impaired	-	-
Less: Allowance for Expected credit loss	-	-
Total *	**41,166.30**	**22,527.71**

* Includes Trade receivable from subsidiaries ₹ 101.64 Lakhs for FY 2025-26 and ₹114.78 Lakhs for FY 2024-25

Trade receivables are non-interest bearing and receivable in normal operating cycle.

Trade Receivables ageing schedule as on March 31, 2026

(₹ in lakhs)

Particulars	Unbilled trade receivables	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	32,170.45	8,679.35	33.90	282.58	0.02	41,166.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.31	38.76	213.64	253.71

(₹ in lakhs)

Particulars	Unbilled trade receivables	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	258.52	258.52
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	**32,170.45**	**8,679.35**	**35.21**	**321.34**	**472.18**	**41,678.53**
Less: Expected Credit Loss provision as on March 31, 2026							512.23
Trade receivable as on March 31, 2026							**41,166.30**

Trade Receivables ageing schedule as on March 31, 2025

(₹ in lakhs)

Particulars	Unbilled trade receivables	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	18,730.00	1,725.78	1,889.17	182.73	0.02	22,527.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	71.71	31.11	2,309.11	2,411.93
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	134.55	134.55
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	**18,730.00**	**1,725.78**	**1,960.88**	**213.84**	**2,443.68**	**25,074.18**
Less: Expected Credit Loss provision as on March 31, 2025							2,546.47
Trade receivable as on March 31, 2025							**22,527.71**

Movement in the expected credit loss allowance

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	**2,546.47**	**12,125.92**
Add: Additions during the year	293.63	631.61
Less: Reversals/withdrawals during the year	2,327.87	10,211.06
Closing Balance	**512.23**	**2,546.47**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 16 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	-	-
Balance with Banks		
In current account	678.55	1,483.37
Term deposits with original maturity of less than three months		29,600.00
Total	**678.55**	**31,083.37**

Note 17 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lien Marked Term deposits*	2,037.27	2,030.72
Balance held on behalf of Indian Navy**	2,21,099.66	2,68,583.42
Balance held on behalf of UTLA***	47.01	77.04
Balance held on behalf of A&N***	3,755.58	155.24
Earmarked balances (Unpaid Dividend account)	84.87	191.87
Total	**2,27,024.39**	**2,71,038.29**

*Lien Marked Term deposits represents deposits in which lien is marked in favour of State Bank of India & IDBI for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company & ₹ 120.69 Lakhs (previous year ₹ 113.57 Lakhs) lien marked in favour of The Registrar of High Court of Kerala.

**Funds parked by Indian Navy for the construction of Indigenous Aircraft Carrier and Next generation Missile Vessels are held in separate accounts. It includes Sweep-In Term-deposits of ₹ 2,20,582.94 Lakhs created from the respective accounts.

***Sweep-In Term-deposits of ₹ 20 Lakhs and ₹ 3738.37 Lakhs are included in the funds parked by UTLA and A&N account respectively.

Note 18 : Loans - Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good:		
(a) Loans to related parties		
Udupi Cochin Shipyard Ltd*	-	513.22
(b) Other Loans		
Employee advances		
Related parties	1.27	0.18
Others	162.72	130.93
Total	**163.99**	**644.33**

No signficant increase in credit risk or credit impairment

*The Company infused ₹500 Lakhs as unsecured loan to Udupi Cochin Shipyard Ltd, the Subsidiary Company on 18.09.2020 for meeting expenses during its operational phase, carrying an interest rate of 5.5% p.a. for a tenure of 5 years. The same was repaid on 17.09.2025

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 19 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued on Bank Deposits	4,165.41	6,415.82
Interest accrued on employee advances		
Related parties	1.76	-
Others	198.84	157.42
Ship Building Financial Assistance	1,605.57	13,750.15
Foreign Exchange Derivatives Assets	6.49	2,505.90
Total	**5,978.07**	**22,829.29**

During the year the Company has regrouped the Ship Building Financial Assistance for delivered vessels under 'Other Financial Assets - Current' which was hitherto grouped under 'Trade Receivables-Current' amounting to ₹1605.57 Lakhs (Previous year ₹ 418.26 Lakhs) for more appropriate presentation.

Note 20 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured advances		
Advances other than Capital advances		
Advances to related party*	5,286.17	3,526.92
Other advances	1,98,071.27	1,73,966.02
Advances considered doubtful	0.07	0.07
	2,03,357.51	**1,77,493.01**
Less: Provision for doubtful advances	0.07	0.07
	2,03,357.44	**1,77,492.94**
Others		
Contract Assets for other works	1,25,768.02	89,630.82
Obsolete stock	1,541.49	316.79
Less: Provision for obsolesence**	(1,541.49)	(316.79)
Balance with Revenue authorities	1,946.02	1,768.40
Miscellaneous deposits	34.42	39.07
Prepaid expenditure	1,323.33	1,515.38
Input Tax Credit on GST	1,39,099.91	1,25,337.85
Medical Insurance Premium	2,907.72	2,635.97
Ship Building Financial Assistance	27,651.56	214.14
Miscellaneous current assets***	1,966.52	2,125.24
Total	**5,04,054.94**	**4,00,759.81**

* Includes advance given/receivables from subsidiaries ₹ 5286.17 Lakhs for FY 2025-26 and ₹3526.92 Lakhs for FY 2024-25

The Company has given advances amounting to ₹181461.59 Lakhs towards procurement of materials, equipments, machineries, services etc to the vendors/service providers which are fully covered by bank guarantees of an equal amount issued by the commercial banks and the guarantees are enforceable.

**The Company assesses the movement of inventory at each Balance Sheet date.Since inventories are contract /project specific & each contract/project with different customers is distinct and having different characteristics, items are not ordinarily inter-changeable and unique in nature, therefore arriving at their net realizable value is not practical.As a practical expedient, the Company uses a graded provision matrix based on aging to determine the provision for slow-moving and obsolete inventory, which is then recognized in the Statement of Profit and Loss.

***The Corporate Social responsibility (CSR) expenditure is charged to the Statement of Profit & Loss in the period in which it is incurred, except to the extent the Company decides to carry forward any amount in excess of the minimum required CSR expenditure for adjustment in future years in terms of Sec 135(5) of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and such excess amount is classified under Miscellaneous Current Assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

During the year the Company has regrouped the Ship Building Financial Assistance for vessels under construction under 'Other Current Assets' which was hitherto grouped under 'Other Financial Assets - Non Current' amounting to ₹ 27651.56 Lakhs (Previous Year ₹ 214.14 Lakhs) for better presentation.

Note 21 : Assets held for sale

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Asset held for sale	1469.50	0.00
Total	**1,469.50**	**-**

The Company has been engaged in a pilot Research and Development project under the R&D initiative of the Ministry of Ports, Shipping and Waterways (MoPSW) - Hydrogen Fuel Cell Technology for Marine Application- approved for partial funding of ₹1312.50 Lakhs (Project fully executed and vessel completed).

The Company had recognized the net cost incurred on this project (after reducing the grant) as Research & Development (R&D) expenditure in the Statement of Profit and Loss for the year ended March 31,ch 2025. At that stage, the project was under development and the ownership position was not yet clarified. The MoPSW has now formally clarified that the ownership of this R&D asset rests with the Company.

The Hydrogen Fuel Cell Vessel is being actively marketed for sale with IWAI (which also falls under the administrative purview of MoPSW), and the Company has transferred possession of the vessel to them. The consideration and the contract are currently being discussed with IWAI under the guidance of the MoPSW. Pending the finalization of these discussions, the asset has been classified as ""Asset Held for Sale."" The Company will continue to monitor developments and review the valuation and classification of these assets in subsequent periods as necessary.

Note 22 : Equity Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity shares of ₹ 5/- each	500000000	25,000.00	500000000	25,000.00
Issued, Subscribed and Fully paid up				
Equity shares of ₹ 5/- each fully paid up	263080780	13,154.04	263080780	13,154.04
Total	**263080780**	**13,154.04**	**263080780**	**13,154.04**

22.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity Shares outstanding at the beginning of the year	**263080780**	**13,154.04**	**263080780**	**13,154.04**
Add : shares issued during the year	-	-	-	-
Less: Shares extinguished on splitting of shares (refer note below)	-	-	-	-
Add : Equity shares of ₹5/- each issued during the year on splitting (Refer note below)	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**263080780**	**13,154.04**	**263080780**	**13,154.04**

Terms & Rights attached to Equity shares: The Company has only one class of equity shares having a face value of ₹5 per share which is fully paid up. Equity shareholders are eligible for one vote per share held, and are entitled to dividends as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend proposed by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Sub-division & Other information:

On 10 Jan 2024, the Company sub-divided every 1 (one) Equity Share of the nominal/face value of ₹10/- each into 2 (Two) Equity Share of the nominal/face value of ₹5/- each.

In October 2024, the Government of India sold 1,30,15,689 (4.95%) equity shares out of its 19,16,86,928 (72.86%) equity shares held in Cochin Shipyard Limited (CSL) by way of Offer for Sale (OFS) through the Stock Exchange mechanism in accordance with the applicable SEBI guidelines. Consequently, the Government of India's shareholding in Company stands at 17,86,71,239 (67.91%) equity shares as on March 31, 2026.

22.2 Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	178671239	67.91	178671239	67.91

22.3 Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
The President of India	178671239	67.91	Nil

Note 23 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital Reserves	263.56	263.56
Capital Redemption Reserve	12,353.76	12,353.76
Securities Premium	93,151.87	93,151.89
Debenture Redemption Reserve	-	-
General Reserve	6,322.75	6,322.75
Cash flow Hedge Reserve	(11,066.41)	(868.90)
Retained Earnings	4,75,103.27	4,36,688.10
Total	**5,76,128.80**	**5,47,911.16**

Movement of each item in Other Equity is detailed in Statement of Changes in Equity

Capital Reserve: Capital reserve includes ₹263.56 Lakhs being restoration charges received from Ms Indian Oil Corporation Ltd for laying pipe line through the Company's land.

Capital Redemption Reserve: Capital Redemption Reserve of ₹ 12353.76 Lakhs includes ₹ 11914.20 Lakhs being reserves created on redemption of preference shares and ₹ 439.56 Lakhs being a sum equal to the nominal value of the shares bought back, which will be utilised for the purpose defined under the Companies Act 2013.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Securities Premium: Premium on tax free bonds is amortised on straight line basis over the period of bonds. The Company had completed the Initial Public Offer (IPO) during 2017-18 and had allotted 22656000 equity shares of ₹10 each at premium (₹93929.76 Lakhs). Expenses incurred net of deferred tax adjustment towards such allotment of shares amounting ₹777.93 Lakhs has been debited in Securities Premium in accordance with the requirements of Indian Accounting Standard (Ind AS) 32- Financial Instruments.

General Reserve: General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc. The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits were required to be transferred to General reserve before declaring dividends. As per the Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory.

Cash flow Hedge Reserve: Cash flow hedge reserve represents the effective portion of change in the fair value of designated hedging instruments recognised in the Other Comprehensive Income. (Refer Note No. 47).

Interim dividend : During the year, the Company paid interim dividends of ₹4.00 per equity share of face value of ₹5 and ₹3.5 per equity share of face value of ₹5, as recommended at the board meetings held on November 12, 2025 and January 28, 2026 respectively.

Proposed dividend : The Board of Directors of the Company have recommended a final dividend of ₹1.50 per equity share of face value of ₹5 for the financial year ended March 31, 2026 at the Board meeting held on May 15, 2026. This is subject to approval/ regularisation by the share holders in the Annual General meeting.

Note 24 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Bonds - (Secured)		
At amortised cost		
Tax Free Redeemable Non Convertible Bonds -Series 2013-14	2,302.20	2,302.20
Total	**2,302.20**	**2,302.20**

Tax Free Infrastructure Bond Series 2013-14

Tranche 2: 230 bonds of face value of ₹10 Lakhs totalling ₹ 2300 Lakhs with interest rate of 8.72% payable annually, redeemable at par, due for redemption on 28th March 2029.

These bonds are secured against the landed properties of the Company admeasuring 197.12 ares (487.00 cents) made up of 34.30 ares in Sy No. 713/11, 23.57 ares in Sy No. 713/12, 59.12 ares in Sy No. 713/13, 50.18 ares in Sy No. 714/06, 10.12 ares in Sy No. 714/2, 8.90 ares in Sy No. 714/4 and 10.93 ares in Sy No. 714/5 of land all are lying contiguously in Elamkulam village, Kanayannur taluk, Ernakulam Dist, Kerala.

Utilisation : Out of the issue proceeds of ₹2300 Lakhs received, the Company has fully utilised/adjusted funds towards various expenditure incurred on International Ship Repair Facility (ISRF) project.

Difference between carrying amounts and fair values of financial liabilities of borrowings is not significant in each of the year presented.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

Note 25: Lease Liabilities-Non current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities under Ind AS 116	52,386.32	44,755.75
Total	**52,386.32**	**44,755.75**

Note 26: Provisions - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits - Compensated absences (Refer Note No 39)	4,938.65	5,034.20
Provision for gratuity	355.99	195.58
Total	**5,294.64**	**5,229.78**

Note 27: Other non current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Income arising from Government Assistance	940.12	5.72
Total	**940.12**	**5.72**

Note 28: Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Short term loan	99,246.59	-
Total	**99,246.59**	**0.00**

The Company has a sanctioned Short Term borrowing limits of ₹ 200000 Lakhs from various banks, out of which ₹99246.59 Lakhs has been availed as on March 31, 2026. These loans are unsecured Working Capital Demand Loans (WCDL) of ₹73174.99 Lakhs in Indian Rupee, and a Packing Credit in Foreign Currency (PCFC) of EUR 23.92 million (₹26071.60 Lakhs). The Company borrows working capital funds benchmark to overnight tresury bills, RBI Repo and six months EURO Inter Bank Offered Rate (EURIBOR)

Note 29: Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities under Ind AS 116	3,527.25	3,025.42
Total	**3,527.25**	**3,025.42**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 30: Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	10,520.16	9,006.09
Outstanding dues of creditors other than Micro enterprises and Small enterprises	79,939.28	20,291.28
Total	**90,459.44**	**29,297.37**

To the extent, the Company has received intimation from the vendors regarding their status under the Micro,Small and Medium Enterprises Development Act, 2006, the details of trade payables are provided as under:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	10,520.16	9,006.09
Interest on above Principal	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act,2006 (27 of 2006), along with the amount of the payment made to supplier beyond the appointed day during each accounting year;		
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small, and Medium Enterprises Development Act,2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small, and Medium Enterprises Development Act,2006;	-	-

Trade Payables ageing schedule as on March 31, 2026

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10,520.16					10,520.16
(ii) Others	74,805.39	5,133.89				79,939.28
(iii) Disputed dues – MSME		-	-	-	-	-
(iv) Disputed dues – Others		-	-	-	-	-
Total	**85,325.55**	**5,133.89**	**-**	**-**	**-**	**90,459.44**

Trade Payables ageing schedule as on March 31, 2025

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	9,006.09					9,006.09
(ii) Others	17,582.16	2,709.12				20,291.28
(iii) Disputed dues – MSME			-	-	-	-
(iv) Disputed dues – Others		-	-	-	-	-
Total	**26,588.25**	**2,709.12**	**-**	**-**	**-**	**29,297.37**

Note 31 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due	8.04	-
Unpaid Dividend	84.87	191.87
Foreign Exchange Derivatives Liabilities	8,738.00	3,667.47
Others		
Security and other deposits	1,768.39	3,139.38
Profit share payable to lessor	1,250.10	834.50
Others Payables	16,789.14	20,644.01
Total	**28,638.54**	**28,477.23**

Other Payables includes Capex trade payables of ₹5008.83 Lakhs (Previous year ₹ 8995.98 Lakhs) out of which ₹124.86 Lakhs (Previous Year ₹ 497.83 Lakhs) is payable to MSME vendors, which are not due as on March 31, 2026.

Note 32 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Contract Liability for Indigenous Aircraft Carrier works (Net)*	27,112.61	32,746.10
IAC Trade payables**	4,102.66	8,184.24
Contract Liability for other works	4,04,704.53	4,53,959.75
Advances for ship building , ship repair and other contracts	24,357.79	21,379.72
Income received in advance	31.87	3,451.97
Statutory dues	6,851.47	2,890.58
Deferrred SD liability	36.07	-
Deferred Income arising from Government Assistance	1.14	1.14
Deferred Income arising from Government Assistance against the Asset Held for Sale	1,312.39	-
Total	**4,68,510.53**	**5,22,613.50**

*The Company has incurred expenditure amounting to ₹ 40,802.45 Lakhs up to March 31, 2026 (Previous year: ₹ 40,690.02 Lakhs) towards augmentation of infrastructure facilities for the construction of the Indigenous Aircraft Carrier (IAC) out of funds received from the Indian Navy. The ownership of the assets created out of these funds vests with the Indian Navy.

Out of the aforesaid expenditure, the Company has identified assets amounting to ₹ 17,856 Lakhs (Previous year: ₹17856 Lakhs) proposed to be taken over by the Company, for which a formal proposal has already been submitted to the Indian Navy. Pending transfer of ownership and finalisation of the takeover value with the Indian Navy, such assets have not been capitalised in the books of account of the Company.

The Company continues to utilise these assets for various shipbuilding operations, including projects of the Indian Navy other than the IAC. Upon finalisation and mutual agreement of the takeover value with the Indian Navy, the said assets will be capitalised in the books of the Company.

Stock of raw materials and bought out components procured under "Cost Plus" part of the IAC contract amounting to ₹3148.87 Lakhs (previous year ₹4746.37 Lakhs) held on behalf of Indian Navy lying with the Company is adjusted against Advances from Indian Navy for Indigenous Aircraft Carrier.

During the Financial Year 2022-23, the Company has handed over the Indigenous Aircraft Carrier (IAC P-71) to Indian Navy in accordance with the contract for the construction of IAC P-71. The Company has raised Invoice for ₹ 1915000 Lakhs on achievement of the delivery milestone of the contract. The balance scope of work are being completed subsequently as per the construction contract.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

The Company has recognised revenue to the extent of ₹1913767.77 Lakhs as on March 31, 2026 against the IAC project P-71 and the balance revenue would be recognised as and when the performance obligations are achieved in accordance with the construction contract of IAC P-71. The details of revenue recognised so far on the project are as follows

(₹ in lakhs)

Description	FY 2025-26	FY 2024-25
Revenue Recognised as at beginning of the year	18,99,557.25	18,61,114.01
Revenue recognised during the year	14,210.52	38,443.24
Total revenue recognised on IAC P-71 as at year end	**19,13,767.77**	**18,99,557.25**

Refer Note No 45 on Ind AS 115 "Revenue from Contract with Customers".

**IAC Trade Payables include ₹ 378.05 Lakhs (previous year - ₹1351.93 Lakhs) payable to MSME vendors which are not due as on March 31, 2026.

Note 33 : Provisions - Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits		
Gratuity	644.20	808.12
Compensated absences (Refer Note No 39)	422.14	446.66
	1,066.34	**1,254.78**
Other Provisions		
For Taxes and duties	2,618.59	2,682.22
For Shipbuilding loss	4,744.00	16,692.00
For Expenditure / contingencies*	53,164.44	84,500.26
	60,527.03	**1,03,874.48**
Total	**61,593.37**	**1,05,129.26**

* Includes provision for expenditure due to Subsidiaries ₹5507.78 Lakhs for FY 2025-26 and ₹4070.31 Lakhs for FY 2024-25

The Company has created provision towards contractual warranties in respect of vessels delivered, generally covering a period of 12 months from the date of delivery. Under these warranties, the Company undertakes to rectify defects arising from design,material,workmanship and other specified deficiencies. The outflows relating to warranty obligations are expected to arise over the warranty period from the date of delivery of vessels. The Company generally takes an insurance policy to cover risks associated with warranty obligations on new build vessels. The management believes that the insurance coverage will substantially mitigate the financial impact of warranty claims.

33.1 Details of movement of provisions

(₹ in lakhs)

Particulars	As at March 31, 2025	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at March 31, 2026
Provision for employee benefits- Gratuity	808.12	644.22	728.28	79.86	644.20
Compensated absences	446.66	-	-	24.52	422.14
Provision for taxes and duties	2,682.22	2.84	66.47	-	2,618.59
Provision for shipbuilding loss	16,692.00	615.00	1,840.00	10,723.00	4,744.00
Provision for expenditure / contingencies	84,500.26	2,73,474.76	2,97,989.92	6,820.66	53,164.44

(₹ in lakhs)

Particulars	As at March 31, 2024	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at March 31, 2025
Provision for employee benefits- Gratuity	459.83	808.11	399.76	60.06	808.12
Compensated absences	350.06	96.60	-	-	446.66
Provision for taxes and duties	2,672.32	9.90	-	-	2,682.22
Provision for shipbuilding loss	5,936.00	11,297.00	-	541.00	16,692.00
Provision for expenditure / contingencies	53,175.83	1,28,374.54	94,402.34	2,647.77	84,500.26

Note 34 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products		
Ship building:		
Indigenous Aircraft Carrier (IAC)	14,210.52	38,443.24
Vessels other than IAC	2,26,095.17	2,12,185.06
Ship Building Financial Assistance	15,635.05	10,241.73
Income from C- SAS	315.64	1,143.03
Engineering works	34.00	-
Income from B&D spares	8,342.31	3,553.98
	2,64,632.69	**2,65,567.04**
Sale of services		
Ship repairs	1,63,169.42	1,83,455.74
Management fee	1,630.49	1,615.34
	1,64,799.91	**1,85,071.08**
Other operating revenue		
Sale of stock items	1.65	3.30
Sale of scrap	1,334.82	1,115.58
Consultancy Income	-	1,027.15
	1,336.47	**2,146.03**
Total	**4,30,769.07**	**4,52,784.15**

1. Revenue is recognized when the Company satisfies performance obligations by transferring promised goods and services to the customer over a period of time using output method based on measurement of physical performance completed to date. Output method faithfully depicts the Company's performance towards complete satisfaction of the performance obligation and gives a clear picture of Company's efforts and hence the same is being adopted to depict the performance completed to date.

2. Refer Note No 45 on Ind AS 115 "Revenue from Contract with Customers".

3. Out of the Revenue from Operations, ₹110570.34 Lakhs (₹53,436.82 Lakhs in previous year) pertain to revenue from export orders.

4. The Company has considered the lock down period due to COVID 19 & GoI circular dated May 13, 2020, which ever is applicable to the projects and Kerala Flood natural calamity 2018 as Force Majeure period for computation of Liquidated Damages while calculating Revenue from operations.

5. The Company is executing shipbuilding contracts with the Andaman & Nicobar (A&N) Administration for the construction of two 1200-passenger vessels (yard nos. SH.0023 and SH.0024). The contractual delivery dates, as extended, have expired for both vessels as on 29 April 2023 for vessel SH.0023, and 30 October 2023 for vessel SH.0024.

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for the year ended March 31, 2026

The two vessels are customized and designed for specific operations between Andaman Islands and Main Land. Subsequently based on a request from the A&N Administration, the Company has abated delivery activity, as the Administration has sought reallocation of the vessels to other prospective buyers. However, such reallocation would necessitate significant technical modifications and cost, and the vessels, in their current state, are considered to have no alternative use.

Given that the Company continues to have a valid and enforceable contract with the A&N Administration, and there is no current mutual termination or novation of the contract, no additional provision for LD has been recognized beyond 29 April 2023 and 30 October 2023, respectively, for SH.0023 and SH.0024 for reason of abated delivery at the request of the buyer. In accordance with the terms of the contract and based on prudent estimates, the Company has recognized provision for liquidated damages (LD) up to the aforementioned dates.

The cumulative percentage of completion for the two vessels as on March 31, 2026 is 54.84 percent for SH.0023 and 55.19 percent for SH.0024. The total liquidated damages for SH.0023 is ₹ 11814.08 Lakhs and for SH.0024 is ₹ 9756.34 Lakhs up to the financial year 2025-26. The Company has recognized revenue to the tune of ₹ 16944.49 Lakhs towards SH.0023 and ₹ 17158.03 Lakhs towards SH.0024 upto March 31, 2026 after considering the liquidated damages.

The Andaman & Nicobar (A&N) Administration has now renewed their interest in one vessel with modification to suit their current requirements. The Union Territory of Lakshadweep Administration (UTLA) has also similarly indicated their willingness for the second vessel with modifications as per their requirement. The modifications are in discussion with the two administrations. Both administrations have confirmed their willingness to take over each vessel in its current under-construction state, subject to the necessary modifications. The Company continues to monitor developments related to this contract and will review its accounting estimates and provisioning requirements in subsequent periods as more information becomes available.

It is anticipated that the eventual sale of the vessel to a new customer will cover the various costs incurred during the construction and abatement period. The new price for the vessel is likely to be higher primarily due to significant inflation in shipbuilding costs over recent years, which alter the vessel's market value.

6. The Government of India provides Ship Building Financial Assistance (SBFA) to promote domestic shipbuilding under the original Ship Building Financial Assistance Policy (SBFAP) and the revised Ship Building Financial Assistance Scheme (SBFAP 2.0). These schemes are aimed at compensating the cost incurred in the construction of vessels and not for any operational losses.

   In accordance with the respective SBFA policy guidelines, financial assistance is available only for vessels that are constructed and delivered within the stipulated period and are covered under an in-principle approval obtained from the Directorate General of Shipping. For vessels governed by the Modified Guidelines for implementation of the Shipbuilding Financial Assistance Scheme (SBFAS), eligibility is further subject to fulfilling mandatory criteria, including successful milestone-based assessments and meeting domestic content requirements as follows:

   A. Domestic content between 30% and 39% – Eligible for SBFA on a pro rata basis (proportionate to the actual domestic content achieved).

   B. Domestic content of 40% and above – Eligible for 100% SBFA (full assistance as per the scheme).

   The Company recognizes SBFA income over the construction period of the eligible vessels, in proportion to the cost incurred, provided the conditions under the policy are met or are reasonably expected to be met.

   Where there is uncertainty regarding compliance with any of the policy conditions, such as delays in construction or delivery timelines, falling short of the mandatory domestic value addition thresholds, or failing to clear independent milestone validations resulting in non-fulfilment of eligibility criteria, the Company either does not recognize the SBFA income or derecognizes the income previously recognized, as appropriate. Such contingencies are assessed regularly, and necessary accounting adjustments are made to reflect the revised expectations.

During the current financial year the Company has recognised the financial assistance amounting to ₹6.14 Lakhs in respect of delivered vessels as income for the current year.

During the current financial year, upon the Company's request under the Institutional Mechanism, the MoPSW granted additional time for the delivery of vessels. Accordingly, the Company has re-recognised financial assistance amounting to ₹6818.75 Lakhs in respect of vessels under construction as income for the current year.

With regard to vessels under construction, the Company has recognized financial assistance income of ₹15628.90 Lakhs towards Ship Building Financial Assistance from Govt. of India, in order to compensate the cost incurred by the Company in building the vessels. As on the reporting date, the cumulative income accrued amounting to ₹27651.56 Lakhs on account of financial assistance is subject to the fulfilment of conditions stipulated in the Guidelines for Shipbuilding Financial Assistance Policy (SBFAP), as amended from time to time.

The Company while determining the pricing of the vessels, factor the Ship Building Financial Assistance (SBFA) which is an integral component of the shipbuilding process. Accordingly, during the year, the Company has regrouped the SBFA under 'Sale of product' which was hitherto grouped under 'Other operating revenue' to give a more realistic picture.The same has no financial impact on the revenue from operations.

7. Cochin Shipyard Ltd (CSL) commenced ship repair operations at Marine Dockyard Port Blair, under the ownership of Andaman and Nicobar Administration (A&N Adminstration) effective from 2019 onwards. Pursuant to the Agreement signed on 28 Nov 2019, with the A&N Administration, CSL is responsible for assisting the Administration to set up a Ship repair ecosystem at A&N islands and focussing efforts on Skill Development in the Islands, in consultation with the Administration and Technical Institutions located there. In consideration of the services, the Company is eligible for a management fee, which is accounted on pro rata basis in the Financial Statements.

8. During the year the Company has regrouped the Management fee under 'Sale of services' which was hitherto grouped under 'Other operating revenue' to give a more realistic picture. The same has no financial impact on the revenue from operations.

9. Revenue from operation includes revenue from contract for construction and supply of eight numbers of Anti -Submarine Warfare Shallow Water Crafts (ASW SWC) to the Indian Navy. Pursuant to a customer clarification on the delivery schedule, the due dates for subsequent vessels are calculated from the actual delivery date of the first vessel. Accordingly, LD has been provided only for the first vessel (where delayed). No LD has been provided for the subsequent vessels, as their expected delivery dates are within the prescribed contractual schedule.

10. In respect of ship repair contracts with the Indian Navy, revenue is recognised over time using the output method based on physical progress of work completed to date. Mandatory spares provided under these contracts are not distinct performance obligations, as they are integral to and inseparable from the repair service. The vessel cannot be repaired without consuming them, and the customer cannot benefit from the spares independently of the repair. Accordingly, mandatory spares are treated as part of a single performance obligation (repair of the vessel), and their cost is included within the total contract value for revenue recognition. Percentage completion determined for the vessel captures the consumption of mandatory spares issued for repair up to the reporting date; hence no separate measurement or recognition of revenue against mandatory spares is undertaken.

11. The Company reassesses the measurement progress of its performance obligation under the output method as mandated by Ind AS 115 at every reporting date. During the financial year 2024-25, the Company noticed that on application of Ind AS 21, the existing measurement resulted in variations in faithful representation of revenue in the case of export contracts denominated in foreign currency. In order to address the same, the Company refined its quantification approach for the said contracts. Revenue is recognised by applying the physical completion percentage on the total transaction price, which the Company is entitled to, without bifurcating between material and service portions. The effect of change in the quantification measure has resulted in increase in revenue from operations for ₹ Nil (Previous year ₹ 11808.65 Lakhs).The Company is consistently adopting this measurement technique in recognising revenue for contracts involving similar performance obligations.

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for the year ended March 31, 2026

Note 35 : Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Training facilities	858.66	663.79
Income from sale of scrap and stores	378.05	341.46
Profit on sale of Property, Plant & Equipment	-	23.90
Income from laboratory services	17.80	15.53
Rental income	433.89	241.85
Interest on bank deposits	15,932.93	18,762.65
Interest from others	563.24	440.50
Dividend income from Preference shares	348.54	331.74
Dividend income from Mutual Funds	148.87	72.78
Dividend income from Society	0.54	0.54
Net gain on foreign currency transactions	-	1,321.38
Provision no longer required	20,762.27	14,054.34
Miscellaneous income*	1,012.41	1,774.15
Total	**40,457.20**	**38,044.61**

*Miscellaneous income includes ₹ 1.14 Lakhs being deferred government assistance in the form of subsidy relating to installation of Solar Power plant inside the yard. The same has been accounted as per the requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

Note 36 : Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw Materials		
Steel	8,894.18	12,452.43
Pipe	1,398.45	1,927.75
Paint	2,270.28	2,641.17
Bought out components	1,71,455.24	1,81,138.03
Total	**1,84,018.15**	**1,98,159.38**

Note 37 : Changes in Inventories of Work-in-Progress

(Other than those which are recognised as income on percentage / proportionate completion method)

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Work -in-progress at cost:		
At the beginning of the year	76.26	-
Less: at the end of the year	-	(76.26)
Total	**76.26**	**(76.26)**

The Company had initiated construction of two 60-ton green tug hulls during the Financial year 2024-25 as part of Green Tug Transition Programme (GTTP) as a significant initiative introduced by the Government of India focussing on the reduction of carbon emissions in the maritime sector. Subsequently, in January 2026, the Company received an order from a private customer for the construction of two 60-ton green tugs. Consequently, the expenses incurred in respect of the above tugs have been transferred from Work-in-Progress (WIP) and charged to profit and loss account during the financial year 2025-26.

Note 38 : Sub Contract and Direct Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sub contract and off loaded jobs	58,501.97	50,375.25
Hull insurance	2,837.90	2,540.85
Design Expenses	5,317.03	5,805.07
Operating expenses	27,417.96	20,543.87
Total	**94,074.86**	**79,265.04**

Note 39 : Employee Benefits Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus/exgratia and allowances	36,404.91	33,727.05
Contribution to Provident Fund and Family Pension Fund	2,489.42	2,284.86
Gratuity	951.26	478.84
Staff welfare expenses	4,678.93	4,088.21
	44,524.52	**40,578.96**
Less:Expenditure during construction		(205.27)
Total	**44,524.52**	**40,373.69**

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 29.64 Lakhs (previous year ₹ 28.07 Lakhs).

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹(5.27) Lakhs (previous year ₹103.82 Lakhs).

The employee benefits accruing to the employees on deputation from Cochin Port Trust and Mumbai Port Trust are being accounted based on demands received from Cochin Port Trust & Mumbai Port Trust as per tripartite agreement between the Company, Cochin Port Trust & Mumbai Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued.

Post-employment obligations

CSL has recognized the gratuity liability for on-contract workmen as of March 31, 2026, based on actuarial valuations completed for FY 2025-26, consequent to the Gazzette Notification of the labour code. No additional provisions are required for Officers, Supervisors, or Workmen, as their current wage components already exceed the 50% threshold for PF and gratuity calculations. Similarly, leave encashment liabilities remain unchanged because existing actuarial provisions sufficiently cover regular staff, while contract employees do not carry forward enough leave to trigger new liabilities. The restructuring of consolidated pay for contract workers is designed to be cost-neutral, ensuring that total gross pay and related financial outgoings remain stable. Consequently, CSL has mitigated potential compliance risks through proactive liability entries and internal committee reviews without incurring significant unprovided expenses.

Provident fund

Provident Fund for eligible employees is managed by the Company through a trust in line with the Provident Fund and Miscellaneous Provision Act,1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employees and employer @12% of basic salary (including Dearness Allowance) together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The contribution is charged to Statement of Profit and Loss of the year when the

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

contributions to the respective funds are due in accordance with relevant statute. Employer's contribution to Provident Fund & Pension fund is ₹1980.54 Lakhs for the year 2025-26 (₹1872.67 Lakhs for the year 2024-25). The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate, which is determined on the basis of actuarial valuation

The Company has obtained report on the determination and disclosure of interest rate Guarantee, valuation of Assets & Liabilities as per Ind AS 19 of Employees Benefits relating to Exempt Provident Fund for the period ended March 31, 2026.

The details of fund obligations as per actuarial valuation are given below:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair value of plan assets	25,625.50	24,747.34
Present value of benefit obligation at year end	26,175.49	24,781.17
Net liability / (Net asset)	549.99	33.83
Additional provision	Nil	Nil

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount Rate (p.a)	7.62%	6.78%
Rate of increase in compensation levels	Officers &Supervisors 3% Workers 3%	Officers &Supervisors 3% Workers 3%
Attrition Rate- Half Pay Leave	0.70%	0.70%
Attrition Rate- Earned Leave	Officers &Supervisors 0.7% Workers 0.7%	Officers &Supervisors 0.7% Workers 0.7%
Average Duration of Defined Benefit Obligation (In years)	9.00	9.20

Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost:		
Current Service Cost	311.67	270.62
Net Interest expense	346.25	303.84
Acturial (Gain)/Loss recognised during the period	(29.97)	815.00
Expenses recognised in the statement of profit and loss	**627.95**	**1,389.46**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of Defined Benefit Obligation at end of the year	5,360.79	5,480.86
Fair Value of Plan Assets at the end of the year	-	-
Net Liabilities /(Assets) recognized in the Balance Sheet	**5,360.79**	**5,480.86**

(₹ in lakhs)

Type of Employee Benefit	For the year ended March 31, 2026	For the year ended March 31, 2025
Current Component of PVO	422.14	446.66
Non-Current Component of PVO	4938.65	5034.20
TOTAL PVO	**5360.79**	**5480.86**

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation at beginning of the year	5480.86	4626.82
Current & Past Service Cost	311.67	270.62
Current Interest Cost	346.25	303.84
Actuarial (Gain)/ Loss	(29.97)	815.00
Benefits paid	(748.02)	(535.42)
Defined Benefit Obligation at end of the year	**5,360.79**	**5,480.86**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	748.02	535.42
Benefits paid	(748.02)	(535.42)
Fair Value of the Assets at the end of the year	**-**	**-**

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	150.96	140.34
Year 2	259.11	286.62
Year 3	151.30	177.73
Year 4	165.43	137.19
Year 5	185.89	147.08
Next 5 Years	927.67	799.80

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	150.96	140.34
Year 2	259.11	286.62
Year 3	151.30	177.73
Year 4	165.43	137.19
Year 5	185.89	147.08
Next 5 Years	927.67	799.80

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for the year ended March 31, 2026

(₹ in lakhs)

Sensitivity Analysis - Half Pay Leave	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Discount Rate + 50 BP	8.12%	7.28%
Defined Benefit Obligation [PVO]	4,506.04	4,609.86
Current Service Cost	178.68	193.41
B. Discount Rate - 50 BP	7.12%	6.28%
Defined Benefit Obligation [PVO]	4,889.10	5,016.23
Current Service Cost	195.80	212.98
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	4,897.28	5,023.15
Current Service Cost	196.17	213.32
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	4,497.13	4,601.99
Current Service Cost	178.29	193.03

BP denotes "Basis Points"

(₹ in lakhs)

Sensitivity Analysis - Earned Leave	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Discount Rate + 50 BP	8.12%	7.28%
Defined Benefit Obligation [PVO]	4,506.04	4,609.86
Current Service Cost	178.68	193.41
B. Discount Rate - 50 BP	7.12%	6.28%
Defined Benefit Obligation [PVO]	4,889.10	5,016.23
Current Service Cost	195.80	212.98
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	4,897.28	5,023.15
Current Service Cost	196.17	213.32
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	4,497.13	4,601.99
Current Service Cost	178.29	193.03

BP denotes "Basis Points"

Defined Benefit Plan-Gratuity

(₹ in lakhs)

The principal assumptions used for the purpose of actuarial valuation were as follows (Head office):	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount Rate (p.a)	7.62%	6.78%
Rate of increase in compensation levels	Officers &Supervisors 3% Workers 3%	Officers &Supervisors 3% Workers 3%
Attrition Rate	Officers &Supervisors 0.70% Workers 0.70%	Officers &Supervisors 0.70% Workers 0.70%
Expected Rate of Return on Plan Asset	7.62%	6.78%

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Average Duration of Defined Benefit Obligations (In years)	10.92	11.30

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost:		
Current Service Cost	402.11	423.10
Past Service Cost	261.04	-
Net Interest expense	33.54	13.93
Components of defined benefit costs recognised in statement of profit and loss	**696.69**	**437.03**
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	(297.56)	337.96
Difference between Actual Return and Interest income on Plan assets (gain)/loss	112.48	(46.72)
Components of defined benefit costs recognised in Other Comprehensive Income	**(185.08)**	**291.24**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of Defined Benefit Obligation at end of the year	5,773.56	5,529.24
Less: Fair Value of Plan Assets at the end of the year	5,261.94	4,800.96
Net Liabilities /(Assets) recognized in the Balance Sheet	511.62	728.28

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation at beginning of the year	5,529.24	4,799.46
Current Service Cost	402.11	423.10
Current Interest Cost	367.17	322.20
Past Service Cost	261.05	-
Actuarial (Gain)/ Loss	(297.55)	337.96
Benefits paid	(488.46)	(353.48)
Defined Benefit Obligation at end of the year	**5,773.56**	**5,529.24**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair Value of Plan Assets at the beginning of the year	4,800.96	4,399.68
Expected Return on Plan Assets	333.64	308.27
Actuarial Gain/(Loss)	(112.48)	46.72
Contributions from the employer	728.28	399.77
Benefits paid	(488.46)	(353.48)
Fair Value of the Assets at the end of the year	**5,261.94**	**4,800.96**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	291.94	286.14
Year 2	698.12	665.64
Year 3	371.58	384.19
Year 4	317.79	321.02
Year 5	388.16	266.76
Next 5 Years	1,929.11	1,583.72

(₹ in lakhs)

Sensitivity Analysis	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Discount Rate + 50 BP	8.12%	7.28%
Defined Benefit Obligation [PVO]	5,494.32	5,251.13
Current Service Cost	360.43	345.63
B. Discount Rate - 50 BP	7.12%	6.28%
Defined Benefit Obligation [PVO]	6,074.71	5,830.27
Current Service Cost	409.08	397.00
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	6,046.54	5,779.52
Current Service Cost	399.80	390.11
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	5,507.08	5,288.36
Current Service Cost	368.28	353.54

BP denotes "Basis Points"

MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	For the year ended March 31, 2026	For the year ended March 31, 2025
Government of India Securities	37.13%	28.95%
State Government Securities	12.26%	25.24%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	29.03%	31.49%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.33%	0.32%
Others (to specify)	21.25%	14.00%
Total	**100.00%**	**100.00%**

The plan assets are managed by the Gratuity Trust formed by the Company.

The principal assumptions used for the purpose of actuarial valuation of International Ship Repair Facility (ISRF) , CSL Mumbai Ship Repair Unit (CMSRU) and FTE were as follows:	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount Rate (p.a)-ISRF	6.60%	6.40%
Discount Rate (p.a)-CMSRU	6.50%	6.40%
Discount Rate (p.a)-FTEs	6.30%	-
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate	2.00%	2.00%
Expected Rate of Return on Plan Asset	0.00%	0.00%

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost:		
Current Service Cost	138.58	25.24
Past Service Cost	98.33	-
Net Interest expense	17.63	16.55
Components of defined benefit costs recognised in statement of profit and loss	**254.54**	**41.79**
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	(41.40)	0.35
Difference between Actual Return and Interest income on Plan assets (gain)/loss		
Components of defined benefit costs recognised in Other Comprehensive Income	**(41.40)**	**0.35**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of Defined Benefit Obligation at end of the year	488.57	275.42
Less: Fair Value of Plan Assets at the end of the year		-
Net Liabilities /(Assets) recognized in the Balance Sheet	**488.57**	**275.42**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation at beginning of the year	275.43	233.26
Current Service Cost	138.58	25.25
Current Interest Cost	17.63	16.56
Past Service Cost	98.33	-
Actuarial (Gain)/ Loss	(41.40)	0.35
Benefits paid	-	-
Defined Benefit Obligation at end of the year	**488.57**	**275.42**

ISRF, CMSRU, Fixed Term Employment (FTE) gratuity is self managed by the Company.

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		
Year	FTEs	ISRF	CMSRU
Year 1	NA	NA	NA
Year 2	NA	NA	NA
Year 3	NA	NA	NA
Year 4	NA	NA	NA
Year 5	NA	NA	NA
Next 5 Years	NA	NA	NA

"NA " denoted " Not Available"

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Particulars	For the year ended March 31, 2025		
Year	FTEs	ISRF	CMSRU
Year 1	NA	NA	NA
Year 2	NA	NA	NA
Year 3	NA	NA	NA
Year 4	NA	NA	NA
Year 5	NA	NA	NA
Next 5 Years	NA	NA	NA

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		
Year	FTEs	ISRF	CMSRU
Year 1	33.04	91.07	8.49
Year 2	69.21	44.69	4.53
Year 3	81.24	11.68	0.43
Year 4	53.55	17.68	0.44
Year 5	7.99	39.60	8.50
Next 5 Years	-	123.12	8.54

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Particulars	For the year ended March 31, 2025		
Year	**FTEs**	**ISRF**	**CMSRU**
Year 1	NA	63.01	8.03
Year 2	NA	46.94	6.20
Year 3	NA	25.86	3.15
Year 4	NA	10.25	-
Year 5	NA	5.99	-
Next 5 Years	NA	95.80	10.15

Sensitivity Analysis as on March ch 31, 2026

Particulars	FTEs	ISRF	CMSRU
A. Discount Rate + 100 BP	7.30%	7.60%	7.50%
Defined Benefit Obligation [PVO]	209.95	241.87	23.37
Variation	(2.00%)	(3.33%)	(3.19%)
B. Discount Rate - 100 BP	5.30%	5.60%	5.50%
Defined Benefit Obligation [PVO]	218.68	259.26	24.97
Variation	2.07%	3.62%	3.44%
C. Salary Escalation Rate + 100 BP	4.00%	4.00%	4.00%
Defined Benefit Obligation [PVO]	217.72	258.24	24.87
Variation	1.63%	3.21%	3.02%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%	2.00%
Defined Benefit Obligation [PVO]	210.80	242.69	23.45
Variation	(1.61%)	(3.00%)	(2.85%)

BP denotes "Basis Points"

Sensitivity Analysis as on March 31, 2025

Particulars	FTEs	ISRF	CMSRU
A. Discount Rate + 100 BP	NA	7.40%	7.40%
Defined Benefit Obligation [PVO]	NA	239.07	26.73
Variation	NA	(3.55%)	(2.96%)
B. Discount Rate - 100 BP	NA	5.40%	5.40%
Defined Benefit Obligation [PVO]	NA	257.45	28.42
Variation	NA	3.86%	3.18%
C. Salary Escalation Rate + 100 BP	NA	4.00%	4.00%
Defined Benefit Obligation [PVO]	NA	256.44	28.30
Variation	NA	3.45%	2.76%
D. Salary Escalation Rate - 100 BP	NA	2.00%	2.00%
Defined Benefit Obligation [PVO]	NA	239.88	26.82
Variation	NA	(3.23%)	(2.60%)

BP denotes "Basis Points"

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 40 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Bank loan	3,280.74	-
Interest expense on lease liabilities	4,649.26	3,988.37
Interest on tax free bonds	200.37	201.17
Interest others	0.04	-
Finance cost on financial liabilities measured at amortised cost	185.62	-
	8,316.03	**4,189.54**
Less:Expenditure during construction	-	(544.61)
Total	**8,316.03**	**3,644.93**

Note 41 : Depreciation and Amortisation Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipments	8,570.19	5,794.90
Depreciation on Right Of Use Assets	1,692.60	1,696.97
Amortisation of intangible asset	820.43	1,041.99
Total	**11,083.22**	**8,533.86**
Less:Expenditure during construction	-	(169.49)
Total	**11,083.22**	**8,364.37**

Note 42 : Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores & spares	3,422.25	3,539.14
Dimunition in value of Loose tools	231.78	151.97
Rates and taxes	150.92	129.21
Power	3,245.03	3,433.40
Fuel	1,314.45	835.99
Water	411.27	363.40
Repairs and maintenance:		
Building and roads	1,214.58	852.29
Plant and machinery	274.89	152.59
Others	3,293.09	2,462.68
Maintenance dredging	2,368.84	914.07
Transport and stores handling	224.00	113.47
Travelling and conveyance expenses	1,593.02	1,172.64
Printing and stationery	137.52	107.50
Postage, telephone and telex	64.16	66.72
Advertisement and publicity	801.85	605.64
Lease rent	6.17	26.10
Hire charges	1,651.88	1,112.41

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Insurance charges	1,187.63	590.82
Security expenses	2,903.04	2,320.93
Payments to Auditors	32.43	29.85
Training expenses	1,309.78	944.90
Legal expenses	90.74	165.68
Consultancy	109.67	86.24
Bank charges	1,516.79	1,269.74
Net loss on foreign currency transactions	874.15	-
Loss on Forex Derivative Transactions	3,163.95	530.62
Corporate social responsibility (refer Note no. 52)	1,788.96	1,564.51
Loss on sale/write off of property, plant and equipments	112.54	5.65
Bad debts written off	-	8,614.55
R&D and New initiatives *	1,840.31	2,043.17
Miscellaneous expenses	1,510.64	893.78
Total	**36,846.33**	**35,099.66**

Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
For Audit Fees	20.00	20.00
For Limited Review/other services	9.75	8.75
For Certifications	2.68	1.10
Total	**32.43**	**29.85**

*R&D and New initiatives includes the following:

a) USHUS is a start-up support program of CSL in association with Indian Institute of Management Kozhikode (IIMK) & Indian Institutes of Technology Madras (IITM) to augment the Government of India's initiatives to encourage and develop an ecosystem in India to support Maritime Start-ups. As part of this program Maritime start-ups will receive seed funds from CSL as grants/investments.

b) IIMK LIVE & IIT Madras will review and recommend the proposals received under this scheme for funding by CSL. Fee for their services amounts to ₹27 Lakhs current year (Previous Year - ₹26.50 Lakhs). During the FY:2025-2026 ₹227.50 Lakhs has been disbursed to 10 start ups identified by IIMK (Previous Year 105 Lakhs-9 start ups) & ₹250 Lakhs has been disbursed to 8 start ups identified by IITM (Previous Year: NIL) under seed funding scheme.

c) Refer Note No: 5 and Note No: 21 relating to Research and Development project under the R&D initiative of the Ministry of Ports, Shipping and Waterways (MoPSW).

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 43 : Provision for Anticipated Losses and Expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loss allowance for Trade Receivables	217.70	659.59
Expenses and contingencies	2,170.57	354.60
Profit share to lessor	1,258.82	843.22
Loss on Ship Building	-	10,756.00
Total	**3,647.09**	**12,613.41**

Note 44 : Earnings per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net Profit after tax (₹ in Lakhs)	64,304.34	84,290.64
Basic and Diluted Earnings Per Share (EPS) (in ₹)	24.44	32.04
Face value per share (in ₹)	5.00	5.00

Refer Note No 22 .1

Note 45: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers"

A. Disclosures of Disaggregated revenue as per Ind AS 115

(₹ in lakhs)

Type of Product or Services	For the year ended March 31, 2026			
	Revenue as per Ind AS 115	Method for measuring performance obligation		Total as per Statement of Profit and Loss
		Input Method	Output Method	
A. Revenue from goods or services transferred over time				
(i) Sale of products				
Ship building:				
Indigenous Aircraft Carrier (IAC)	14,210.52		14,210.52	14,210.52
Vessels other than IAC	2,26,410.81		2,26,410.81	2,26,410.81
Ship Building Financial Assistance	15,635.05	15,635.05		15,635.05
Engineering works	34.00		34.00	34.00
(ii) Sale of services				
Ship repairs	1,63,169.42	-	1,63,169.42	1,63,169.42
Management fee	1,630.49	-	1,630.49	1,630.49
B. Revenue from goods or services transferred to customers at a point in time				
(i) Sale of products				
Ship building:				
Sale of B&D Spares	8,342.31			8,342.31
(ii) Other operating revenue				
Sale of Ship Building Scrap	505.95	-	-	505.95
Sale of Ship Repair Scrap	828.87	-	-	828.87
Sale of stock items	1.65	-	-	1.65
Total				**4,30,769.07**

(₹ in lakhs)

Type of Product or Services	For the year ended March 31, 2025			
	"Revenue as per Ind AS 115"	Method for measuring performance obligation		Total as per Statement of Profit and Loss
		Input Method	Output Method	
A. Revenue from goods or services transferred over time				
(i) Sale of products				
Ship building:				
Indigenous Aircraft Carrier (IAC)	38,443.24	-	38,443.24	38,443.24
Vessels other than IAC	2,13,328.09	-	2,13,328.09	2,13,328.09
Ship Building Financial Assistance	10,241.73	10,241.73		10,241.73
(ii) Sale of services				
Ship repairs	1,83,455.74	-	1,83,455.74	1,83,455.74
Management fee	1,615.34	-	1,615.34	1,615.34
B. Revenue from goods or services transferred to customers at a point in time				
(i) Sale of products				
Ship building:				
Sale of B&D Spares	3,553.98	-	-	3,553.98
(ii) Other operating revenue				
Sale of Ship Building Scrap	756.61	-	-	756.61
Sale of Ship Repair Scrap	358.97	-	-	358.97
Consultancy income	1,027.15	-	-	1,027.15
Sale of stock items	3.30	-	-	3.30
Total				**4,52,784.15**

B. Contract balances

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Receivables	41,166.30	22,527.71
Contract Assets	1,25,768.02	89,630.82
Contract Liabilities	4,31,817.14	4,86,705.85

Movement in contract balances during the year

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Contract asset at the beginning of the year	89,630.82	74,484.90
Contract asset at the end of the year	1,25,768.02	89,630.82
Net (increase)/decrease	(36,137.20)	(15,145.92)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities at the beginning of the year	4,86,705.85	4,87,527.27
Contract liabilities at the end of the year	4,31,817.14	4,86,705.85
Net (increase)/decrease	54,888.71	821.42

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

C. Details of transaction price allocated to unsatisfied/ partially satisfied performance obligations:

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period amounts to ₹1607111.19 Lakhs (excluding Cost Plus Part of IAC contract) (Previous Year ₹1448711.90 Lakhs).The amount of transaction price relating to unsatisfied performance obligation that are part of a contract that has an original expected duration of one year or less has not been included in the above disclosure as permitted under Ind AS 115. Further the estimate of the transaction price as above would not include any estimated amounts of variable consideration that are constrained.Management expects that 26.40% of transaction price allocated to unsatisfied/ partially satisfied contracts as of March 31, 2026, as stated above, will be recognised as revenue during FY 2026-27 and the remaining thereafter.

During the year ended March 31, 2026 the Company recognised revenue of ₹103728.75 Lakhs (Previous year ₹1,16,990.11 Lakhs) arising from opening Contract Liability as of April 01, 2025.

D. Reconciliation of contracted price with revenue during the year

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening contracted price of orders	**26,10,779.16**	**25,33,712.74**
Add:		
Fresh orders/change orders received (net)	3,98,881.03	77,265.79
Increase due to additional consideration including Shipbuilding Financial assistance	(14,985.77)	28,036.33
Increase due to exchange rate movements (net)	29,028.09	19.34
Less:		
Other deductions including variations, change orders etc.	-	23,918.90
Orders completed during the year	1,49,069.57	4,336.14
Closing contracted price of orders	**28,74,632.94**	**26,10,779.16**
Total Revenue recognised during the year:	2,42,645.34	2,34,512.95
Less: Revenue out of orders completed during the year	23,576.78	1,613.39
Revenue out of orders under execution at the end of the year (I)	2,19,068.56	2,32,899.57
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	10,48,453.20	9,29,167.69
Decrease due to exchange rate movements (net) (III)	-	-
Balance revenue to be recognised in future viz. Order book (IV)	16,07,111.18	14,48,711.90
Closing contracted price of orders (I+II+III+IV)	**28,74,632.94**	**26,10,779.16**

Note 46: Additional Disclosures under Ind AS 116-"Leases"

Rent and Hire charges Expense includes expense incurred for the year ended March 31, 2026 on Short term leases and leases of low value assets amounting to ₹1658.05 Lakhs (Previous year ₹1138.51 Lakhs)

Total Cash outflow for leases for the year ended March 31,2026 including outflow on short term and low value leases is ₹3589.69Lakhs (Previous year ₹3085.66 Lakhs)

The Company has lease term extension options that are not reflected in the measurement of lease liabilities

The details of the contractual maturities of lease liabilities as at March 31, 2026 on an undiscounted basis are as follows

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Less than one year	3,527.25	3,025.42
One to five years	17,217.41	14,306.38
More than five years	1,71,569.51	1,07,281.20
Total	**1,92,314.17**	**1,24,613.00**

The details of the contractual maturities of leased assets as at March 31, 2025 on an undiscounted basis are as follows

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Less than one year	40.70	39.05
One to five years	183.01	174.89
More than five years	64.11	112.93
Total	**287.82**	**326.87**

Movement of Lease Liabilities are as under:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	47,781.17	46,577.91
Add:Additions	6,944.61	141.86
Add:Interest recognised during the year	4,649.26	3,988.37
Less:Payment made	3,461.47	2,926.97
Closing Balance	**55,913.57**	**47,781.17**

Note 47: Additional Disclosures for Hedge Accounting

The Company enters into foreign exchange derivative contracts to offset the foreign currency risks arising from the amounts denominated in currencies other than Indian Rupee. The counter party to the Company's foreign currency forward contracts is a bank.

The Company has the following outstanding forward contracts, which have been designated as Cash Flow Hedges, as on March 31, 26:

(₹ in lakhs)

Particulars	31-March -26			31-March -25		
	No. of contracts	Notional amount of contracts	Fair Value Gain/ (Loss)	No. of contracts	Notional amount of contracts	Fair Value Gain/ (Loss)
EURO	67	128741.36	(8737.99)	88	137643.91	96.45
NOK	1	863.07	6.50	5	7676.66	(30.49)
Total	**68**	**129604.43**	**(8731.49)**	**93**	**145320.57**	**65.96**

The movement in Hedge reserve for derivatives designated as cash Flow Hedges is as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year Cr/(Dr)	(868.90)	(918.26)
Changes in the fair value of effective portion of outstanding cash flow derivatives (Net)	(10,197.51)	49.36
Balance at the end of the year	**(11,066.41)**	**(868.90)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 48: CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
A	**CONTINGENT LIABILITY (To the extent not provided for)**			
a	**Claims against the Company not acknowledged as debt**			
i	Sub- Contractors & Suppliers	24036.08	27,312.93	Claims made by suppliers which are currently under dispute and has not been acknowledged as debt. Based on the facts of the case, the Company believes that the likelihood of outflow of resources embodying economic benefits is remote, and expects any potential liability, if at all, to be significantly lower than the amount claimed. However, the matter is under conciliation.
b	**Guarantees**			
i	Letters of Credit	18157.95	19,279.09	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets
ii	Bank Guarantees	2,33,201.73	2,01,613.65	Bank guarantees (including continuity guarantees) represent guarantees issued by various banks on behalf of the Company to its customers and other beneficiaries. Value of advance Bank Guarantee outstanding as on Balance sheet date is included in Note 49.
iii	Bank Guarantee	20	20.00	Bank Guarantee issued as per Customs preventive manual (Chapter 20) for removal of goods for ship under repair with out payment of duty for a period of two years for CMSRU
iv	Guarantee given on behalf of wholly owned subsidiary Company (UCSL)	7814.16	6,093.74	The Company has provided a joint and several guarantee along with its wholly owned subsidiary,M/s Udupi Cochin Shipyard Limited,under a ship building contract with M/s Ocean Sparkle for 11 vessels.The subsidiary has received a refundable advance of ₹7814.16 Lakhs. The Company's liability would arise only in the event of default by the subsidiary.Based on the asessment of the subsidiary's financial and operational capability to fulfil its obligations,the likelihood of any outflow of resources from the Company is considered remote.Out of 11 vessels 2 vessels delivered in 2025-26
c	**Other money for which the Company is contingently liable**			
i	Greater Cochin Development Authority (GCDA)	69.06	69.06	Claim raised by GCDA for the land acquired for the Company is settled. However 8 land acquisition revision petition cases (Valued at ₹69.06 Lakhs) filed by evictees is pending with the Hon'ble Supreme Court and High Court.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
ii Customs duties	48412.36	12,726.96	(i) Customs duty for materials under Bond for - ₹ 7108 Lakhs. (ii) Penalty on differential IGST - ₹232.47 Lakhs (iii) Custom duty and IGST paid under protest for which appeal has been raised before the Customs Excise and Service Tax Appellate Tribunal - ₹5752.18 Lakhs (iv) Show Cause Notice No. 187/2025-26 dated 30.01.2026 under section 124 read with section 28(4) and 142 of the Customs Act,1962 received by CSL from the office of Commissioner of Customs, alleging the non complaince with the provisions of the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) and other reasons.CSL has submitted an initial reply to the show cause notice.- ₹35253.53 Lakhs (v) FDR lien marked on Registrar of High Court of Kerala for -₹66.18 Lakhs.
iii Income Tax	1389.86	1,389.86	Demand relating to Assessment Years: AY 2010-11 - ₹ 126.26 Lakhs AY 2014-15 - ₹ 911.07 Lakhs AY 2017-18 - ₹ 331.77 Lakhs AY 2018-19 - ₹ 20.76 Lakhs Demands raised as per the assessment orders totaling to ₹ 1389.86 Lakhs for the Assessment Years 2010-11, 2014-15, 2017-18 and 2018-19 are pending disposal of the appeals filed before the Commissioner of Income Tax (Appeals). The demands are mainly due to disallowance under Section 37. However the above demands have been adjusted against the refund due for the subsequent years.
iv Service Tax	1,647.47	1,647.47	Demand of Service Tax on IAC (Design Consultancy) as per Show Cause Notice issued. Appeal filed to CESTAT against the order of The Commissioner of Central Tax & Central Excise.
	376.67	376.67	Refund claim of Service Tax on IAC granted by Commissioner of Central Excise (Appeals) . However Department filed Appeal before CESTAT against the order of Commissioner(Appeals).
	323.04	323.04	Demand of Service Tax on IAC (Management Fee/ Handling Charges) as per Show Cause Notice issued. Appeal filed to CESTAT aganst the order of The Commissioner of Central Tax & Central Excise .

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
	2,339.64	2,339.64	Show Cause Notice issued for levy of service tax on ship repair without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Proceedings under the show cause has been dropped by the Commissioner of Central Tax and Central excise, Thiruvananthapuram. Department filed appeal before CESTAT.
Service Tax	1,885.49	1,885.49	Show Cause Notice issued for levy of Service Tax on the repair of vessels owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Proceedings under the show cause has been dropped by the Commissioner of Central Tax and Central Excise, Thiruvananthapuram . Department filed appeal to CESTAT.
	513.72	513.72	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2015-16 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Reply filed before Commissioner of Central Tax & Central Excise, Kochi.
	734.93	734.93	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2016-17 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Reply filed before Principal Commissioner of Central Tax & Central Excise, Kochi.
	150.57	150.57	Show Cause Notice issued for levy of service tax on ship repair during the period 2015-16 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Joint Commissioner confirmed demand. Appeal filed before Commissioner (Appeals) against the Order in Original.
	286.85	286.85	Show Cause Notice issued for levy of service tax on ship repair during the period 2016-17 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Reply filed before Commissioner of Central Tax & Central Excise (Appeals), Cochin.
Service Tax	279.46	279.46	Show Cause Notice issued for non payment of service tax on availing services of persons in non-taxable territory for meeting contractual warranty obligations and on cost of security provided to the transportation of Barge from Cochin to Abu Dhabi. Demand confirmed by Commissioner of Central Tax & Central Excise . Appeal filed before CESTAT.

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
v Kerala Value Added Tax (KVAT)	1,369.94	1,369.94	Demand for FY 2015-16. Assessing office made additions to taxable turnover against the order of Joint Commissioner (Appeals) and raised demand for tax and interest. Writ petition filed before High Court of Kerala for stay on recovery proceedings.
vi Demand for Input Tax credit on IGST for the period 2018-19 and penalty thereon	92.13	92.13	Show Cause Notice issued for mismatch in input tax credit claimed in GSTR 3B and GSTR 2A for FY 2018-19. Additional Commissioner confirmed the demand. Appeal filed to Commissioner (Appeals) against the Order In Original.
vii Demand for Input Tax credit on IGST for the period 2018-19 & 2021-2022 , Non payment/ Shortpayment of CGST,SGST & IGST under RCM for the period 2019-20 & 2020-21 and penalty thereon	19.78	-	Show Cause Notice issued for mismatch in input tax credit claimed in GSTR 3B and GSTR 2A for FY 2018-19 & 2021-2022 and for Non payment/ Short payment of RCM for the mismatch between GSTR 3B & 8A. Additional Commissioner confirmed the demand. Appeal filed to Commissioner (Appeals) against the Order In Original.
viii Alekton Engineering Industries Pvt Ltd	471.91	384.17	The petitioner (claimant) approached MSME Council for recovery of Liquidated damages (LD) along with interest in respect of LD deducted by CSL for delay in submission of drawings and supply of goods . MSME Council , Chennai has referred the case to Madras High Court Arbitration Centre for arbitration. Madras High Court Arbitration Centre has appointed Mr. Suhrith Parthsarrathy as the sole arbitrator . Claim petition filed by the petitioner. Order passed by the Sole Arbitrator in favour of the respondent (CSL). Alekton Engineering Industries Pvt Ltd has filed appeal with Hon'ble Madras High Court to set aside arbitral award.
ix M/s. Vigil Marine Services	2,340.54	2,065.17	CSL had entered into an Agency Agreement with M/s Vigil Marine Services vide Agreement dated 01.08.1993 for marketing the Ship Building and Ship Repair Operations of CSL to Clients in Middle East. The agreement was terminated in the year 2003 due to breach by Vigil Marine. Vigil Marine raised claims for payment of Agency Commission for winning orders for NPCC and ATCO Orders (worth 18.25 million) which was rejected by CSL. Arbitration Request was filed before the Hon'ble Supreme Court for appointment of Sole Arbitrator and accordingly arbitration commenced on 10.10. 2004. The Arbitral Award was passed on 24.11.2015 directing CSL to pay commission to M/s Vigil Marine Services at the rate of 5% of the ATCO contract value of U S Dollar 18.25 Million with interest @ 8% per annum from the date of receipt of the above payment till payment is made to M/s Vigil Marine as under the Award.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
			Aggrieved on this CSL filed arbitration appeal before District Court, however by virtue of a judgement of the Hon'ble Supreme it was held that the 2016 Amendment to Arbitration Act was retrospective in effect and therefore appeal lies before High Court. Consequently OP (ICA) 1/ 2019 was preferred before High Court of Kerala. Meanwhile the 2019 Amendment came into effect which inter alia stated that 2016 amendment was prospective in effect and therefore the appeal was remitted back to District Court. Later the Hon'ble Supreme Court struck down the 2016 Amendment and consequently, OP (ICA) No. 1/ 2021 was filed before High Court of Kerala. As per the provisions of the Arbitration Act , CSL had initially deposited BG for the award amount with interest up to the date of the award i.e. till 24.11.2015 . Howerver, the Hon'ble Court vide its order dated 30.11.2023 directed deposit of award amount with interest computed till 01.04.2023 and accordingly, Bank guarantee for an amount of ₹.1869.19 Lakhs has been submitted to Registrar, High Court and the same is included in Note 49. The matter is pending final hearing.
x Employee State Insurance Corporation	54.66	54.66	ESI Corporation raised a demand notice for ₹62.28 Lakhs towards contribution for advance trainees for the period Apr 2008- Mar 2012. Company has paid contribution of ₹26.46 Lakhs for the period Jun 2010- Mar 2012 . Later on, ESI Department has raised a demand notice of ₹19.84 Lakhs towards interest on delayed payments and damages for the period Jun 2010- Jul 2013. The Company is contesting the demands made before Honourable Insurance Court, Alappuzha. In the meantime, the court has granted a stay by depositing ₹1 lakh.
xi Customs bond for availing ship repair pass	100.00	100.00	Customs bond issued as per customs preventive manual (Chapter 20) for removing goods for ship under repair with out payment of duty for a period of two years for CMSRU.
xii Indemnity Bond to Customs Authorities	27309.24	19,203.00	Bond under Customs (Imports of Goods at Concessional Rate of Duty) rules 2017.
xiii Indemnity Bond to Govt of India	30415.00	30,415.00	Represent Indemnity Bonds given by Company to GoI towards performance of obligations under the IAC contract. Value of advance Bank Guarantee/Indemnity Bond outstanding as on Balance sheet date is included in Note 49.
xiv Paint contamination claims	863.83	863.83	Claims raised against the Company for paint contamination spots observed on cars - Ghamadia & 128 yard at Mumbai Port.

	Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
xv	Claim for the salary amount recovered from CoPA deputed employees to ISRF	1.68	1.68	6 employees of CoPA has made a claim for the refund of salary recovered against their absence from duty , due to the revised timings issued by CoPA for the ministerial staff. CSL is in receipt of the summons from the Central Govt Industrial Tribunal. The case have been posted for hearing in 23rd June 2026.
xvi	Fine levied by the Stock Exchanges (BSE and NSE) for non-compliance with certain Corporate Governance provisions of the SEBI LODR Regulations	83.92	34.42	The Stock Exchanges have levied fines on CSL for non-appointment of Independent Directors and related requirements including non-constitution of committees (Audit Committee and Nomination and Remuneration Committee) of the Board as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As the non-compliances were beyond the Company's control and not due to its negligence or default, CSL will request a waiver of the fines from the Stock Exchanges once the required independent directors are appointed. The Stock Exchanges have in the past waived off the fines in similar situations.
B	**COMMITMENTS (To the extent not provided for)**			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for:	17512.57	31,539.56	Estimated amount of contracts remaining to be executed on capital account and not provided for

C Modifications made in Standalone Financial Statement pursuant to CAG observations raised during supplementary audit conducted for the year 2025-26 under section 143(6)(a) of Companies Act 2013:

1 Cash flow statement (A. Cashflow from operating activities):

Figures for the year 2024-25 relating to Provision for anticipated losses and expenditure and Increase / (decrease) in trade and other payables has been revised

Provision for anticipated losses and expenditure - Revised to Rs 11,953.82 lakhs from Rs 12,613.41 lakhs

Increase / (decrease) in trade and other payables - Revised to Rs 41,484.14 lakhs from Rs 40,824.55 lakhs

2 Contingent liabilities and commitments- 48 A (c) (v):

Amount of contingent liabilities towards Kerala value added tax for the years 2024-25 and 2025-26 has been revised to Rs 1,369.94 lakhs from Rs 787.32 lakhs

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

The Company has entered into a non-binding MOU with HD Korea Shipbuilding & Offshore Engineering Co. Ltd. (KSOE), South Korea during FY 2025-26, proposing a Joint Venture to set up and operate Block fabrication facility in Kochi utilizing the designated facility which is the 310 meter New Dry Dock. The said asset has been classified under Property, Plant and equipment at its carrying value of ₹134181.09 Lakhs.

The Company has entered into a non-binding MOU and Heads of Terms agreement with Drydocks World – Dubai FZCO (DDW) during FY 2025-26, proposing a Joint Venture to operate and expand the International Ship Repair Facility (ISRF) in Kochi. As of the Balance Sheet date, no binding Shareholders' Agreement or Business Transfer Agreement has been executed. Accordingly, the assets collectively called the ISRF facility continues to be classified under Property, Plant and Equipment at its carrying value of ₹105316.53 Lakhs.

Note 49 : Value of advance Bank Guarantee outstanding as on reporting date is ₹1058307.85 Lakhs (Previous year ₹1032503.48 Lakhs).

Note 50 : Litigations :

The Company is subject to legal proceedings and claims, in the ordinary course of business. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's results of operation.

Note 51 : Research & Development/New Initiative Expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Revenue Expenditure	2038.62	2270.08
b) Capital Expenditure	402.26	2.83
	2440.88	**2272.91**

Refer Note No.4 and 42

₹ 3500 Lakhs has been allocated for R&D and innovation initiatives Fund, for development of pilot Autonomous Surface Vessel Project.1% of average turnover based on the audited financial results of the standalone financial results of CSL for the last three financial years is set aside as yearly budget for the Research and Development/Innovation initiatives of CSL. Further the Board has granted approval for funding support not exceeding ₹ 5000 Lakhs to "USHUS" project under CSL's Start-up Engagement Policy Framework.

Note 52 : Corporate Social Responsibility (CSR) : As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and other areas permitted in Schedule VII to the Companies Act 2013. The utilisation of CSR funds are done as per the recommendations of CSR committee. Details of amount required to be spent and the amount utilised are given below:

(₹ in lakhs)

Particulars	As at March 31,2026	As at March 31,2025
(a) Gross amount required to be spent by the Company during the year	1783.98	1557.68
(b) Amount spent during the year	1554.06	1789.51

(₹ in lakhs)

In case of Sec.135(5) Excess amount spent	As at March 31,2026	As at March 31,2025
(i) Amount carry forwarded from previous financial years	395.00	170.00
(ii) Amount spent during the year	1554.06	1789.51
(iii) Amount charged to P&L as CSR expenses	1788.96	1564.51
(iv) Amount carry forwarded to succeeding years	160.00	395.00

As on 31 March ch 2026, the Company spent ₹164.98 Lakhs in excess of amount required to be spent as per Companies Act, 2013 out of which ₹4.98 Lakhs is charged to Profit and Loss and ₹160 Lakhs is carried forwarded to succeding financial years

(₹ in lakhs)

Additional Disclosures on CSR	As at March 31,2026	As at March 31,2025
(i) Amount required to be spent by the Company during the year	1783.98	1558.68
(ii) Amount of expenditure incurred	1554.06	1789.51
(iii) Shortfall at the end of the year	0.00	0.00
(iv) Total of previous years shortfall	0.00	0.00
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities: As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and other areas permitted in Schedule VII to the Companies Act 2013. The utilisation of CSR funds are done as per the recommendations of CSR committee.		
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard.	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Details of amount spent for year ended March 31 2026

(₹ in lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	602.98		602.98
(ii) On purposes other than (i) above	951.08		951.08
	1,554.06	**-**	**1,554.06**

Details of amount spent for year ended March 31, 2025

(₹ in lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	1,419.72	-	1,419.72
(ii) On purposes other than (i) above	369.79	-	369.79
	1,789.51	**-**	**1,789.51**

Note 53 : Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2025-26	**2024-25**
Shri Madhu S Nair Chairman & Managing Director (Up to January 31, 2026)	Key Managerial Personnel	Key Managerial Personnel
Shri Bejoy Bhasker Director (Technical) (Up to May 31, 2025)	Key Managerial Personnel	Key Managerial Personnel
Shri Sreejith K Narayanan Director (Operations) (Up to May 31, 2025)	Key Managerial Personnel	Key Managerial Personnel
Shri Jose V J Director (Finance) & Chief Financial Officer Chairman & Managing Director (Addl. Charge w.e.f February 01, 2026)	Key Managerial Personnel	Key Managerial Personnel
Dr. Harikrishnan S Director (Operations) (w.e.f August 27, 2025)	Key Managerial Personnel	-
Shri Rajesh Gopalakrishnan Director (Technical) (w.e.f August 27, 2025)	Key Managerial Personnel	-
Shri Rajesh Kumar Sinha Part-time Official (Nominee) Director, Government of India (up to August 07, 2025)	Key Managerial Personnel	Key Managerial Personnel
Shri Venkatesapathy S Part-time Official (Nominee) Director, Government of India (w.e.f August 07, 2025)	Key Managerial Personnel	-
Shri Biju Prabhakar Part-time Official (Nominee) Director, Government of Kerala (Up to May 31, 2025)	Key Managerial Personnel	Key Managerial Personnel
Shri P B Nooh Part-time Official (Nominee) Director, Government of Kerala (w.e.f June 20, 2025)	Key Managerial Personnel	-
Smt. Amrapali Prashant Salve Non-Official (Independent) Director (Up to Nov 21, 2024)	-	Key Managerial Personnel
Shri Nahar Singh Maheshwari Non-Official (Independent) Director (Up to Nov 21, 2024)	-	Key Managerial Personnel
Shri Ashok Sharma Non-Official (Independent) Director (Up to Nov 21, 2024)	-	Key Managerial Personnel
Shri Prithiviraj Harichandan Non-Official (Independent) Director (Up to May 01, 2024)	-	Key Managerial Personnel

Related Party	Nature of Relationship	
	2025-26	2024-25
Shri Venkatesan M Non-Official (Independent) Director (Up to Nov 21, 2024)	-	Key Managerial Personnel
Shri Abhijit Biswas Non-Official (Independent) Director (Up to Nov 21, 2024)	-	Key Managerial Personnel
Dr. Seema Suri Non-Official (Independent) Director (w.e.f May 21, 2025)"	Key Managerial Personnel	-
Shri Syamkamal N Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Hooghly Cochin Shipyard Limited (Principal place of business:Howrah)	Subsidiary Company	Subsidiary Company
Udupi Cochin Shipyard Limited (Principal place of business:Malpe)	Subsidiary Company	Subsidiary Company
India Ship Technology Centre (Section 8 Private Limited Company incorporated on March 29, 2026)	Subscriber Member	-
CSL Superannuation Pension Trust For Executives And Supervisors	Post- Employment Benefit Plan	Post- Employment Benefit Plan
Cochin Shipyard Ltd Group Gratuity Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Retired Employees Medical Assistance Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Mutual And Public Welfare Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
Cochin Shipyard Ltd Employees Contributory Provident Fund Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Officers And Supervisors Retirement Benefit Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Insurance Linked Medical Assistance Trust For Retired Workmen	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Workmen Pension Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan

India Ship Technology Centre (ISTC) was incorporated on March 29, 2026 as a Section 8 Company limited by guarantee and not having share capital under the directions of the Ministry of Ports, Shipping and Waterways (MoPSW) to support the development of the Indian shipbuilding sector through participation of shipyards, ship designers, academic institutions, research and training organisations, industry associations and professional bodies etc. Director (Finance) and Director (Operations) of CSL serve as initial members and directors of ISTC, with their appointment and direction being subject to the encouragement and strategic guidance of the Ministry of Ports, Shipping and Waterways (MopSW). CSL provides only administrative, operational and managerial assistance on a reimbursable basis, and all actual expenses incurred by CSL for ISTC are reimbursed upon allocation of funds by the Government of India. The current governance structure is temporary and established solely to expedite the incorporation process; upon formation of an independent Board, ISTC will be an independent and autonomous entity under the Ministry of Ports, Shipping and Inland waterways. Accordingly, ISTC is treated as a related party operating under the strategic guidance and encouragement of the Government of India. ISTC has total assets of ₹ Nil and total liabilities of ₹nil as at March 31, 2026. Reimbursable expenses incurred on behalf of ISTC during the year amounted to ₹ nil, with ₹ nil as at the reporting date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Shares held by Nominee Directors in Hooghly-CSL on behalf of CSL	As at March 31,2026	As at March 31,2025
	No of Shares	
Shri Madhu S Nair (Chairman)	0	10
Shri Bejoy Bhasker (Director)	0	10
Shri Jose V J (Director)	10	10
Shri Sreejith K Narayanan (Director)	0	10
Dr. Harikrishnan S (Director)	10	0
Shri Rajesh Gopalakrishnan (Director)	10	0

Shares held by Nominee Directors in UCSL on behalf of CSL	As at March 31,2026	As at March 31,2025
	No of Shares	
Shri Madhu S Nair (Chairman)	0	10
Shri Bejoy Bhasker (Director)	0	10
Shri Jose V J (Director)	10	10
Shri Sreejith K Narayanan (Director)	0	10
Dr. Harikrishnan S (Director)	10	0
Shri Rajesh Gopalakrishnan (Director)	10	0

Transactions with Key Managerial Personnel:

Nature of transaction:- Remuneration to Key Managerial Person

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short term benefit	476.78	282.66
Post employment Benefit	48.73	46.81
Total	**525.51**	**329.47**

Nature of transaction-Advances

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2025	Loans/advances Taken during 2025-26	Repayment	Balance as on 31/03/26	Interest accrued as on 31/03/26
RAJESH GOPALAKRISHNAN	0.00	5.78	1.20	4.58	1.76
HARIKRISHNAN S	0.00	0.68	0.48	0.20	0.00
SYAMKAMAL N	0.18	0.65	0.63	0.20	0.00

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2024	Loans/advances Taken during 2024-25	Repayment	Balance as on 31/03/25	Interest accrued as on 31/03/25
Bejoy Bhasker	0.00	0.00	0.00	0.00	0.00
Jose V J	0.00	0.00	0.00	0.00	0.00
Sreejith K N	0.00	0.00	0.00	0.00	0.00
Syamkamal N	0.14	0.60	0.56	0.18	0.00

Nature of transaction-Sitting Fee to Independent Directors

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Smt.Seema Suri	3.60	0.00
Smt. Amrapali Prashant Salve	0.00	3.00
Shri Nahar Singh Maheshwari	0.00	3.60
Shri Ashok Sharma	0.00	3.30
Shri Prithiviraj Harichandan	0.00	0.30
Shri Venkatesan M	0.00	2.10
Shri Abhijit Biswas	0.00	3.60
Total	**3.60**	**15.90**

Transactions and Balances with Related Parties-Subsidiaries

i) Transactions

Particulars	Hooghly Cochin Shipyard Ltd		Udupi Cochin Shipyard Ltd	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Secondment to subsidiary	107.40	59.18	130.46	117.94
Dividend on preference shares	348.54	331.73		
Sub contract works undertaken by Subsidiaries	2,551.51	2,998.32	61.62	
Services provided to subsidiaries	34.00	1.79	-	7.14
Sales of stock items / assets	1.95	3.30		
Interest on NCD	190.64	190.64	60.00	60.00
Investment in Equity shares	-	-		
Repayment of NCD	-	-		
Advances given to Subsidiaries			1,762.60	
Interest on loan	-	-	27.94	27.50

ii) Balances with Related Parties-Subsidiaries

Particulars	Hooghly Cochin Shipyard Ltd		Udupi Cochin Shipyard Ltd	
	As at March 31,2026	As at March 31,2025	As at March 31,2026	As at March 31,2025
Investment in NCDs issued by subsidiary	3,100.00	3,100.00	1,000.00	1,000.00
Investment in Equity shares of Subsidiary (includes right issue)	14,000.00	14,000.00	10,800.00	10,800.00
Investment in Cumulative Redeemable Preference Shares in subsidiary	5,600.00	5,600.00		
Loans to subsidiary			500.00	500.00
Interest accrued but not due on NCD	98.72	98.72	18.64	31.86
Dividend receivable on preference shares	1,629.01	1,280.45		
Receivable from subsidiaries	110.96	95.03	21.44	19.75
Payable to subsidiaries	1,891.47	211.75	1.10	1.10
Advances given to Subsidiaries		152.36	1,700.98	
Commitments and guarantees given for Subsidiaries :				
On account of investment				
On account of capital projects	2.85	30.25		

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Transactions and Balances with other Related Parties (Post- Retirement Benefits Trust/Plans)

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Transactions		
Contribution to Post employment plans (for the year)	2241.50	3444.90
ii) Balances		
Payable to trust (Net)	599.44	104.12

Transactions & Balances with Government and entities under the control of same Government

Government of India (GOI) as on March 31,2026 is holding 67.91% equity shares of the Company, which is held by President of India through Ministry of Ports,Shipping and Waterways (MoPSW). GOI controls the Company through Ministry of Ports,Shipping and Waterways (MoPSW).

The Company has made various transactions with the Ministry of Ports,Shipping and Waterways (MoPSW) and with entities being controlled or jointly controlled or having significant influence of the Ministry of Ports,Shipping and Waterways (MoPSW).

i) Transactions/Balances with GoI

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Amount payable to Government of India	234.19	234.19
Amount as paid as dividend during the year to Government of India	17,420.45	17,713.30

ii) Significant transactions with Government related Entities under MoPSW

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Lease rent paid	2,842.93	2,615.20
Power & water supply charges	904.87	1,354.38
Annual Profit share payment	910.67	227.73
Employee related expenses	1,745.25	596.68
Dredging of ISRF area	364.49	429.73
Tugs & Pilotage charges	516.14	360.99
Guaranteed amount	241.83	233.04
Revenue from operations	13,906.28	4,130.17

iii) Significant balances with Government related Entities under MoPSW

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Payables	8.18	26.46
Advances given to suppliers	134.81	72.09
Receivables	5570.87	2,787.77
Advance received from customers	3804.77	4,260.63

In addition to the above, around 73.20% of the companies turnover and 79.19 % (approx) of trade receivables and customer advance is with respect to Government and Government related entities including those under MoPSW.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 54 : FINANCIAL INSTRUMENTS

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level II inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level III inputs are unobservable inputs for the asset or liability.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis

(₹ in lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	March 31, 2026	March 31, 2025	
Financial Assets			
Non Current			
(i) Investments	47,481.87	35,852.42	Level III
(ii) Loans	1,124.98	551.52	Level III
(iii) Others	183.15	160.73	Level III
Current			
(i) Trade Receivables	41,166.30	22,527.71	Level III
(ii) Cash & Cash equivalents	678.55	31,083.37	Level III
(iii) Bank Balances other than (ii)	2,27,024.39	2,71,038.29	Level III
(iv) Loans	163.99	644.33	Level III
(v) Others	5,978.07	22,829.29	Level III
Total Financial Assets	**3,23,801.30**	**3,84,687.66**	
Financial Liabilities			
Non Current			
(i) Borrowings	2,302.20	2,302.20	Level III
(ii) Lease liabilities	52,386.32	44,755.75	Level III
(iii) Other financial liabilities	-	-	Level III
Current			
(i) Borrowings	99,246.59	-	Level III
(ii) Trade Payables	90,459.44	29,297.37	Level III
(iii) Lease liabilities	3,527.25	3,025.42	Level III
(iv) Other financial liabilities	28,638.54	28,477.23	Level III
Total Financial Liabilities	**2,76,560.34**	**1,07,857.97**	

Note:

1. The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose.The Company has chosen to designate these investments in equity instruments of Subsidiary at cost (as per Ind AS 27) and other equity instruments at FVTOCI (as per Ind AS 109), as the Company believe that this provides a more meaningful presentation of medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss. The investments in debt instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments at Amortised Cost.

Notes to the Standalone Financial Statements
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Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

There were no transfers between Level 1 and 2 in the period.

2. Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.
3. The carrying amount of trade receivables are considered to be the same as their fair value due to their short term nature.
4. For financial liabilities (trade and other payables and security deposits), fair value at amortised cost is determined by using discounted cash flow method; amortised on an aggregated basis and on straight line, as their individual impact is not considered material. Appropriate market borrowing rate of the Company as of each balance sheet date is used for discounting.
5. Difference between carrying amounts and fair values of bank deposits, other financial assets,short term loans, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Financial Instruments by category

(₹ in lakhs)

	As at March 31, 2026			As at March 31, 2025		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost/At Cost
Financial Assets						
Investments (Non-current)						
- Equity instruments		22.49	24,735.34	-	19.26	24,735.34
- Debt instruments			22,724.04	-	-	11,097.82
- Preference shares						
Investments (Current)						
- Mutual Funds						
Trade receivables			41,166.30	-	-	22,527.71
Cash & Cash equivalents			678.55	-	-	31,083.37
Bank Balances			2,27,024.39	-	-	2,71,038.29
Other Financial Assets			7,450.19	-	-	24,185.87
Total Financial Assets	**-**	**22.49**	**3,23,778.81**	**-**	**19.26**	**3,84,668.40**
Financial liabilities						
Borrowings			1,01,548.79	-	-	2,302.20
Trade payables			90,459.44	-	-	29,297.37
Capital creditors						
Other financial liabilties			84,552.11	-	-	76,258.40
Total Financial Liabilities	**-**	**-**	**2,76,560.34**	**-**	**-**	**1,07,857.97**

Amendments to Ind AS 107: Disclosures relating to Supplier Finance Arrangements

The Company has entered into certain Supplier Finance Arrangements (SFA) with finance providers during the year. The primary objective of these arrangements is to benefit the MSME suppliers with early payments. The Company doesn't provide any collateral or guarantees to the finance provider.

Carrying Amount of Financial Liabilities:	March 31, 2026
(i) Financial liabilities classified under 'Trade Payables'	-
(ii) Out of (i), amount received by suppliers from finance providers	-

Payment Terms	March 31, 2026
(i) The Financial liabilities that are part of the arrangement	30-45 Days
(ii) Comparable trade payable that are not part of the arrangement	30-45 Days

The Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

Note 55 : Financial Risk Management Policy

Financial Risk Management Objective and Policies:

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables and advances from customers. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board provides written principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, being mainly commodity price risk. Financial Assets affected by market risk include loans and advances, deposits and derivative financial instruments.

A. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is minimal since the exposure relates primarily to the Company's long-term debt obligations of redeemable non-convertible bonds with fixed interest rates as disclosed in Note 24 . With the current profile of fixed rate borrowing, the Company is not sensitive to interest rate fluctuations.

The Company is exposed to interest rate risk because the Company borrows working capital funds benchmarked to overnight Treasury Bills, RBI Repo, six months EURO Inter Bank Offered Rate (EURIBOR)

B. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency risk of the Company is managed through a properly documented risk management policy approved by the board. The Board of directors also reviews the foreign currency exposure of the Company on quarterly basis. The Company manages the net foreign currency risk mainly by entering into forward contracts with the bank as the counter party. The disclosures of outstanding forward contract as on reporting date is given in Note 47.

The Company's exposure to foreign currency risk net of hedged exposure at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate) are as follows:

(₹ in lakhs)

Particulars	USD	EURO	GBP	NOK	Total
Financial Assets					
March 31, 2026	0.00	0.00	0.00	0.00	0.00
March 31, 2025	0.00	0.00	0.00	0.00	0.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	USD	EURO	GBP	NOK	Total
Financial Liabilities					
March 31, 2026	5653.09	13414.92	142.59	8848.36	28058.96
March 31, 2025	7665.48	11024.90	64.24	0.48	18755.10

The sensitivity of profit/ loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The sensitivity analysis includes only outstanding foreign currency denominated monetary items net of hedge accounting impact and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. The sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates.

(₹ in lakhs)

Particulars	5% change in foreign currency rates	
	As at March 31, 2026	As at March 31, 2025
Receivables		
USD - Strengthening of ₹ by 5%	0.00	0.00
USD - Weakening of ₹ by 5%	0.00	0.00
EURO - Strengthening of ₹ by 5%	0.00	0.00
EURO - Weakening of ₹ by 5%	0.00	0.00
GBP - Strengthening of ₹ by 5%	0.00	0.00
GBP - Weakening of ₹ by 5%	0.00	0.00
NOK - Strengthening of ₹ by 5%	0.00	0.00
NOK - Weakening of ₹ by 5%	0.00	0.00
Payables		
USD - Strengthening of ₹ by 5%	(282.65)	(383.27)
USD - Weakening of ₹ by 5%	282.65	383.27
EURO - Strengthening of ₹ by 5%	(670.75)	(551.25)
EURO - Weakening of ₹ by 5%	670.75	551.25
GBP - Strengthening of ₹ by 5%	(7.13)	(3.21)
GBP - Weakening of ₹ by 5%	7.13	3.21
NOK - Strengthening of ₹ by 5%	(442.42)	(0.02)
NOK - Weakening of ₹ by 5%	442.42	0.02
Profit Before Tax		
USD - Strengthening of ₹ by 5%	282.65	383.27
USD - Weakening of ₹ by 5%	(282.65)	(383.27)
EURO - Strengthening of ₹ by 5%	670.75	551.25
EURO - Weakening of ₹ by 5%	(670.75)	(551.25)
GBP - Strengthening of ₹ by 5%	7.13	3.21
GBP - Weakening of ₹ by 5%	(7.13)	(3.21)
NOK - Strengthening of ₹ by 5%	442.42	0.02
NOK - Weakening of ₹ by 5%	(442.42)	(0.02)

C. Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of steel, major machineries, equipments etc. The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of steel, being the primary raw material inputs. The Company aims to sell the finished products based on firm contract which is negotiated after due consideration of the expected raw material prices. Therefore, the Company plans its purchases closely to optimise the price. Further since the products are of a specific nature which does not entail competition and is heterogeneous in nature due to its specification, the Company's exposure to commodity risk is minimal.

The following table details the Company's sensitivity to a 5% movement in the input price of steel. The sensitivity analysis includes only 5% change in commodity prices for quantity consumed during the year, with all other variables held constant.

(₹ in lakhs)

Particulars	Increase of 5 %		Decrease of 5 %	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Steel	444.71	622.62	(444.71)	(622.62)

D. Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may arise from an inability to sell a financial asset quickly at a rate close to its fair value.

The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provides liquidity in the short-term and long- term and manages the liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities as depicted below.

(₹ in lakhs)

Particulars	As on March 31, 2026			As on March 31, 2025		
	< 1 year	1-3 years	> 3 years	< 1 year	1-3 years	> 3 years
Financial Assets						
Non-current investments	247.04	-	47,234.83	117.36	-	35,735.06
Loans (Non Current)	-	399.60	725.38	-	228.43	323.09
Other Financial Assets(Non Current)	-	38.70	144.45		37.92	122.81
Trade Receivables	41,166.30	-	-	22,527.71		
Cash and Cash Equivalents	678.55	-	-	31,083.37		
Bank Balances other than cash and cash equivalents	2,27,024.39	-	-	2,71,038.29		
Loans	163.99	-	-	644.33		
Other Financial Assets	5,978.07	-	-	22,829.29	-	
Total Financial Assets	**2,75,258.34**	**438.30**	**48,104.66**	**3,48,240.35**	**266.35**	**36,180.96**
Financial Liabilities						
Borrowings (Non Current)	2.20	2,300.00		2.20		2,300.00
Lease Liabilities (Non Current)		7,867.95	44,518.37		6,477.61	38,278.14
Borrowings (Current)	99,246.59		-			-
Lease Liabilities	3,527.25	-		3,025.42		
Trade payables	90,459.44	-		29,297.37		
Other financial liabilities	27,969.91	668.63		27,970.60	506.63	
Total Financial Liabilities	**2,21,205.39**	**10,836.58**	**44,518.37**	**60,295.59**	**6,984.24**	**40,578.14**

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for the year ended March 31, 2026

E. Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its exposure to other financial assets, including deposits with banks and financial institutions, derivative instruments, and other financial instruments. The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating in order to manage the credit risk. Trade receivables mainly comprise of government entities and the cash and cash equivalents and derivative instruments are maintained with banks and recognised financial institutions with high credit rating.

For trade receivables, as a practical expedient the Company computes credit loss allowance based on a provision matrix which considers historically observed default rates over expected life of trade receivables, adjusted for forward looking estimates. The movement in expected credit loss allowance is disclosed in Note 15.

The Company's maximum exposure to the credit risk for the components of Balance Sheet as March 31, 2026 and March 31, 2025 is the carrying amounts mentioned in Note no 15 and as stated in Note 53, around 73.20%(approx) of Company's turnover and 79.19% (approx.) of trade receivables and customer advance is with respect to Government and Govt. regulated entities. The maximum exposure relating to financial derivative instruments and financial guarantees is disclosed in Note 47 and Note 49 respectively.

Note 56 : Disclosure pursuant to Ind AS 1 "Presentation of Financial Statements":

a. Current assets expected to be recovered within twelve months and after twelve months from the reporting date

(₹ in lakhs)

Particulars	As on March 31, 2026			As on March 31, 2025		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Inventories	2,14,233.63	-	2,14,233.63	1,76,096.42	-	1,76,096.42
Trade receivables	41,166.30	-	41,166.30	22,527.71	-	22,527.71
Cash and cash equivalents	678.55	-	678.55	31,083.37	-	31,083.37
Bank balances	2,27,024.39	-	2,27,024.39	2,71,038.29	-	2,71,038.29
Loans	163.99	-	163.99	644.33	-	644.33
Other Financial assets	5,978.07	-	5,978.07	22,829.29	-	22,829.29
Current tax assets (net)	10,230.22	-	10,230.22	-	-	-
Other current assets	4,29,797.75	74,257.19	5,04,054.94	3,91,250.95	9,508.86	4,00,759.81

b. Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

(₹ in lakhs)

Particulars	As on March 31, 2026			As on March 31, 2025		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Borrowings	99,246.59		99,246.59	-		-
Lease Liabilities	3,527.25	-	3,527.25	3,025.42	-	3,025.42
Trade payables	90,459.44	-	90,459.44	29,297.37	-	29,297.37
Other financial liabilities	27,969.91	668.63	28,638.54	27,970.60	506.63	28,477.23
Other current liabilities	1,34,071.28	3,34,439.25	4,68,510.53	1,17,714.10	4,04,899.40	5,22,613.50
Provisions	61,593.37	-	61,593.37	1,04,770.06	359.20	1,05,129.26
Current tax liabilities (net)	-	-	-	2,647.80	-	2,647.80

Note 57 : Segment Reporting

The Company has identified two major operating segments viz, Shipbuilding and Ship repair. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Segment Assets		
Ship building	9,81,929.73	8,22,323.58
Ship Repair	3,68,919.83	3,48,784.30
Unallocated	57,957.92	1,33,441.35
Total	**14,08,807.48**	**13,04,549.23**
Segment Liability		
Ship building	5,99,776.60	4,36,865.61
Ship Repair	40,339.61	1,01,917.29
Unallocated	1,79,408.43	2,04,701.13
Total	**8,19,524.64**	**7,43,484.03**
Segment Revenue		
Ship building*	2,65,138.62	2,66,326.95
Ship Repair*	1,65,630.45	1,86,457.20
Unallocated	40,457.20	38,044.61
Total	**4,71,226.27**	**4,90,828.76**
Segment Result		
Ship building	47,536.79	43,421.67
Ship Repair	42,941.22	72,919.61
Unallocated	6,477.83	688.19
Total	**96,955.84**	**1,17,029.47**

Reconciliation of segment results to profit before tax from continuing operations:

(₹ in lakhs)

Particulars	For the year ended	
	As at March 31, 2026	As at March 31, 2025
Amount as per segment results	96,955.84	1,17,029.47
Less: Finance Costs	8,316.03	3,644.93
Add: Exceptional items	-	-
Profit before tax from continuing operations	88,639.81	1,13,384.54

The Company has two major business segments -"shipbuilding" and "ship repair". Revenue under shipbuilding includes ₹158820.82 Lakhs (previous year: ₹206665.27 Lakhs) from two customers (previous year: two customers) having 59.90% revenue of the total Shipbuilding revenue, and for ship repair includes ₹100833.29 Lakhs (previous year: ₹153005.55 Lakhs) from two customers (previous year: two customers) having 60.88% in total of the total ship repair revenue.

*Out of segment Revenue from Operations, ₹1,10,570.34 Lakhs (₹53,436.82 Lakhs in previous year) pertain to revenue from export orders.

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Note 58 : Capital Management

The Company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The Company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings (including bonds).

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Long term borrowings	2,302.20	2,302.20
Net Debt*	1,01,548.79	2,302.20
Equity Share Capital	13,154.04	13,154.04
Other equity	5,76,128.80	5,47,911.16
Total Equity	5,89,282.84	5,61,065.20
Gearing Ratio	17.23%	0.41%

*Net Debt includes Short term Borrowings of the Company amounting to ₹ 99246.59 Lakhs (previous year Nil)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

Ratios	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% change	Remarks if change is more than 25%
(a) Current Ratio,	Current Assets	Current Liabilities	1.33	1.34	(0.28%)	-
(b) Debt-Equity Ratio,	Total Debt	Shareholder's Equity	0.17	0.00	4099.73%	Due to short term loans taken during the year
(c) Debt Service Coverage Ratio,	*Earnings available for debt service	Debt Service	1.01	14.32	(92.94%)	Due to short term loans taken during the year
(d) Return on Equity Ratio,	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.11	0.16	(29.46%)	Due to decrease in profit during the year
(e) Inventory turnover ratio,	Revenue from Operations	Average Inventory	2.21	3.33	(33.71%)	Due to project specific materials and equipment held in stock for the vessels currently at various stages of construction and decrease in turnover
(f) Trade Receivables turnover ratio,	Net Credit Sales	Avg. Accounts Receivable	12.44	13.30	(6.47%)	
(g) Trade payables turnover ratio,	Net Credit Purchases	Average Trade Payables	3.71	7.79	(52.35%)	Due to decrease in purchases and increase in trade payables during the year

Ratios	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% change	Remarks if change is more than 25%
(h) Net capital turnover ratio,	Net Sales	Working Capital	1.71	1.94	(11.58%)	-
(i) Net profit ratio,	Net Profits	Net Sales	0.15	0.19	(19.81%)	-
(j) Return on Capital employed,	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.14	0.21	(33.39%)	Due to decrease in Profit and increase in total borrowings due to short term loans taken during the year
(k) Return on investment:						
(1) ROI on Equity Investment - unlisted subsidiaries	Dividend	Average investment in Equity of subsidiaries	-	-	-	-
(2) ROI on Equity Investment - others	Dividend	Average investment in Equityshares	2.59%	3.40%	(23.92%)	-

*Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

*Debt service = Interest & Lease Payments + Principal Repayments

Note 59 : The Company has used the ERP, SAP S/4HANA as the accounting software for maintaining its books of account, which has a feature of Security audit log and recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective software except for the instances mentioned below.

i. The feature of recording audit trail (edit log) facility was enabled for identified database tables to log data changes for the accounting software used for maintaining the books of account. However, any direct data change to SAP database tables are not being carried out.

ii. Security audit log was enabled in the ERP from 2022 onwards.The feature of recording audit trail (edit log) facility of the accounting software was enabled on March, 2024.

Further no instance of audit trail feature being tampered with was noted in respect of the accounting software and records are preserved in compliance with statutory requirements.

Note 60 : Consumption of imported goods/services for the year amounts to ₹87614.38 Lakhs (₹80419.32 Lakhs in previous year).

Note 61 : No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

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for the year ended March 31, 2026

Note 62 : The Company has no borrowings from banks or financial institutions on the basis of security of current assets .The total Fund Based and Non-Fund based limits sanctioned by various banks under Multiple Banking Arrangement is as follows:

Description	Sanctioned Limit	Utilization As at March 31, 2026		Sanctioned Limit	Utilization As at March 31, 2025	
		Value	% Utilization		Value	% Utilization
Non Fund Based Limit	1579000	1141128	72.27%	1583900	1088611	68.73%
Bank Gurantees	1355500	1121877	82.76%	1345500	1069488	79.49%
Letter of Credit	223500	19251	8.61%	238400	19123	8.02%
Fund Based Limit	200000	99247	49.62%	NIL	NIL	NIL
WCDL	150000*	73175	48.78%	NIL	NIL	NIL
PCFC	50000	26072	52.14%	NIL	NIL	NIL

*Capped to the limit sanctioned by the Board of Directors.

The Company is not required to file any quarterly returns or statements with the banks.

Note 63 : The Company is not declared wilful defaulter by any bank or financial Institution or other lender.

Note 64 : The Company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 65 : There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

Note 66 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 67 : The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosures relating to it are not applicable.

Note 68 : In the case of contracts/ sub-contracts, wherever final bills are not submitted by the contractors for the work done as at the close of the year, liability is estimated and provided based on the work done.

Note 69 : The Company has made adequate provision towards material foreseeable losses wherever required, in respect of long term contracts. The Company do not have any long term derivative contracts for which there were any material foreseeable losses.

Note 70 : Figures in brackets denote negative figures.

Note 71 : Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year presentation.

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Consolidated Financial Statements

Independent Auditor's Report

To
The Members of **COCHIN SHIPYARD LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Cochin Shipyard Limited (referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprises the consolidated Balance Sheet as at March 31, 2026, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows, for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, the consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

4. **Suspension of construction of two passenger vessels and related uncertainties:**

   In 2016, the Holding Company entered into a contract with the Administration of a Union Territory of India for the construction of two passenger vessels at a total contract value of ₹81,900 lakhs (excluding taxes and foreign exchange variation). The vessels were launched in January 2020 and August 2022, respectively.

   As at the reporting date, approximately 55% of the construction work, up to the fourth stage, has been completed and payments aggregating to ₹66,503.63 lakhs (Previous year: ₹66,503.63 lakhs) have been received from the Administration. The fifth and final stage is linked to the delivery of the vessels.

   Subsequently, Administration of a Union Territory has expressed its intention to take delivery of one vessel, while the other vessel is proposed to be taken over by another Administration of a Union Territory, both subject to certain reconfigurations. However, the scope of modifications and related commercial terms, including reimbursement of costs, are yet to be finalised between the parties. Pending receipt of the necessary approvals and finalisation of the commercial arrangements, further construction activities remain suspended.

   Accordingly, the Holding Company expressed its inability to determine the financial impact, if any, arising from factors such as ageing of the vessels due to prolonged inactivity, occupation of berthing space and annual revalidation costs of bank guarantees amounting to ₹1,12,411.88 lakhs (Previous year: ₹1,10,936.04 lakhs) furnished to the Administration (Refer Note No. 35(5)).

5. Classification of Ship Building Financial Assistance:

The Holding Company's Management has represented that while determining the pricing of the vessels, it factor the Ship Building Financial Assistance (SBFA) which is an integral component of the shipbuilding process. Accordingly, during the year, the Company has regrouped the SBFA under 'Sale of product' which was hitherto grouped under 'Other operating revenue'. (Refer Note No. 35(6)).

6. Lease Accounting by HCSL:

Hooghly Cochin Shipyard Limited (HCSL) is following Ind AS 116 for accounting of lease in respect of its leasehold land. However, lease term and effective dates considered by HCSL for computation are not in agreement with provisions of the Deed of Declaration dated September 23, 2021 (Deed) between HCSL and President of India (Ministry of Ports, Shipping and Waterways). This Deed, read with Principal Deed of Lease dated January 19, 2018 is the governing agreement for leasehold land of HCSL. HCSL has recognized lease rent based on the original lease agreement signed on January 19, 2018, which was subsequently revised because of operation of law due to exit of Hooghly Dock and Port Engineers Limited (HDPEL). Lease term and effective dates should be made in parity with the provisions of the Deed for valuation of lease liability and Right of Use assets in the books of account.

7. Provision for Interest on Delayed Payment of Lease Rent to Government of India by HCSL:

HCSL had paid lease rent for its leasehold lands to Hooghly Dock and Port Engineers Limited (HDPEL) (now defunct), as follows:

Area	From	To
A. 5.31 Acres, Nazirgunge	16-February-2019	31-October-2019
B. 10.45 Acres, Nazirgunge	01-July-2019	31-October-2019
C. 9.91 Acres, Salkia	-----	-----

Thereafter, pending lease rent from November 2019 (in respect of Areas A and B) and from January 1, 2020 (in respect of Area C) to September 2024 was paid to the Government of India (Ministry of Ports, Shipping and Waterways) in August 2024.

Provision for interest on delayed payment amounting to ₹54.76 lakhs (Previous Year: Nil) was made in the accounts for the financial year 2024-25 considering benchmark interest rate (SBI 6 Months MCLR) @ 8.90% + 2.00% = 10.90% p.a.

However, lease rent payable was computed by HCSL from February 16, 2019, July 1, 2019 and January 1, 2020 for Areas A, B and C respectively. Lease rent for the period from January 19, 2018 (effective date) as per the Deed of Declaration and interest thereon for the period from January 19, 2018 to February 15, 2019, June 30, 2019 and December 31, 2019 respectively (₹27.84 lakhs) was not considered by HCSL. The commencement date of lease and the lease rent considered by HCSL are not in agreement with the Deed of Declaration dated September 23, 2021 executed between HCSL and the President of India (Ministry of Ports, Shipping and Waterways).

8. Construction of Caisson Gate by HCSL:

The project for Construction of Caisson Gate by HCSL has reached 98.75% completion as on March 31, 2026 (Previous Year: 98.75%). The contractual delivery date expired on March 31, 2023.

No physical progress was achieved during the year ended March 31, 2026. However, direct project expenses increased by ₹6.02 lakhs during the year. The continued delay in completion of the project at its final stage has resulted in escalation of project costs.

9. Shipbuilding Financial Assistance Policy (SBFAP) of HCSL:

In the case of HCSL, income for the year ended March 31, 2026 includes ₹1,236.77 lakhs (Previous Year: ₹188.02 lakhs) recognised under the Ship Building Financial Assistance Policy (SBFAP) of the Ministry of Ports, Shipping and Waterways, Government of India.

The realisation of the aforesaid assistance is subject to timely delivery of the vessels and fulfilment of other conditions prescribed under the SBFAP. Further, final approval in respect of assistance amounting to ₹218.42 lakhs relating to the MPV JAK Vessel is pending as on March 31, 2026.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

10. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2026. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matters	Auditors' Response
1.	Measurement of Physical Completion of Shipbuilding and Ship Repair Activities (Refer Note 2.5 – Critical Accounting Estimates and Judgements and Note 3.11(a) – Revenue from Operations) The Holding Company determines the stage of completion of shipbuilding and ship repair contracts based on the estimated physical progress of work performed as at the reporting date. The assessment of physical completion is carried out internally by the Management, based on technical evaluations and inputs from the planning, design and engineering departments. Determining the extent of completion of each sub-activity requires significant technical judgement and estimation, particularly in assessing work performed but not yet certified. Given the technical complexity and the reliance on internal progress of assessments, measurement of physical completion was considered a Key Audit Matter.	Our audit procedures included: • Obtaining an understanding of the process for measuring physical progress and the systems used to capture project execution data. • Evaluating the design and implementation of internal controls over monitoring and reporting of project progress. • Performing sample-based substantive procedures by examining supporting documentation, project reports, milestone certifications and M-Book records. • In selected cases, obtaining external expert reports to corroborate Management's assessment of stage of completion. While we performed the above procedures, the measurement of physical completion inherently involves technical evaluation, and we placed reliance on Holding Company's Management's technical and activity-based assessments.
2.	Recognition of Revenue -Shipbuilding and Ship Repair Contracts (Refer Note 3.11(a) – Revenue Recognition under Material Accounting Policy Information, Note 35 – Revenue from Operations, and Note 46 – Additional Disclosures under Ind AS 115, "Revenue from Contracts with Customers") The Holding Company recognises revenue from shipbuilding and ship repair contracts over time in accordance with Ind AS 115 – Revenue from Contracts with Customers. Revenue recognition involves significant judgement in identifying performance obligations, determining the transaction price (including variable consideration such as change orders and claims), assessing the Company's enforceable right to receive payment for performance completed to date, estimating total contract costs and cost to complete, incorporating cost contingencies for contract-specific risks, and recognising expected losses on onerous contracts when such losses become probable.	Our audit procedures included: • Evaluating the appropriateness of the Holding Company's revenue recognition policies and their compliance with Ind AS 115. Testing key internal controls over identification of performance obligations, estimation of total contract costs, assessment of contingencies, evaluation of contract modifications, and recognition of variable consideration. • Examining selected contracts, amendments and related documentation to assess Management's determination of transaction price and contractual rights. • Comparing costs incurred to date with Management's cost-to-complete estimates and performing retrospective review of prior estimates against actual outcomes. • Evaluating Management's assessment of variable consideration through review of contractual terms, customer correspondence and where relevant, legal assessments.

Sl. No.	Key Audit Matters	Auditors' Response
	Changes in these judgements and estimates may materially impact the timing and amount of revenue and profit recognised. Given the magnitude of revenue and the complexity of contract accounting under Ind AS 115, we identified this as a Key Audit Matter.	• Performing analytical procedures to identify unusual revenue trends, loss-making or onerous contracts, and significant changes in cost estimates. • Assessing the adequacy of related disclosures in accordance with Ind AS 115 and Schedule III of the Act. Based on the procedures performed, we did not identify any material exceptions in respect of the Holding Company's application of Ind AS 115.

Other Information

11. The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Financial Statements and Auditor's Report thereon. The Holding Company's Annual Report is expected to be made available to us after the date of this Auditor's Report. Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

12. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available 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.

13. When we read the Holding Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

14. The Holding Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs, consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

15. In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

    The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

16. 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 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 SAs 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.

17. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

    - Conclude on the appropriateness of the Group's Management and Board of Directors' use of the going concern basis of accounting in preparation of Consolidated Financial Statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 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 Auditor's 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.

    - Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the first paragraph of the section titled "Other Matters" in this audit report.

18. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in:

    (i) Planning the scope of our audit work and in evaluating the results of our work; and

    (ii) To evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

19. We communicate with Those Charged With Governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors, 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.

20. 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.

21. From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the Consolidated Financial

Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

22. We did not audit the financial statements of two subsidiary companies namely "Hooghly Cochin Shipyard Limited" and "Udupi Cochin Shipyard Limited (formerly known as Tebma Shipyards Limited)", whose financial statements reflects total assets of ₹ 92,384.83 lakhs (previous year- 83,134.88 lakhs) (before consolidation adjustment) as at March 31, 2026, total revenue of ₹75,921.00 lakhs (previous year- ₹ 34,101.75 lakhs) and the net out cashflows of ₹2,475.58 lakhs (previous year- ₹ (619.69) lakhs) for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

23. Our opinion on the Consolidated Financial Statements, and our report on the "Other Legal and Regulatory Requirements" section below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

24. The Consolidated Financial Statements for the financial year ended March 31, 2025 were audited by the predecessor auditors, whose report dated May 15, 2025 expressed an unmodified opinion on the Consolidated Financial Statements. Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

25. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") as amended, issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 of the Order, to the extent applicable our report thereon is enclosed as **"Annexure A"**.

26. **Non-Compliance with Composition of the Board and Board Committees**

    We draw attention to the fact that, during the year, in the case of Holding Company, the requisite number of Non-Official (Independent) Directors was not in place, resulting in non-compliance with the provisions relating to the composition of the Board and certain mandatory committees thereof, as required under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time. Consequently, the Holding Company did not have a duly constituted Audit Committee in accordance with Section 177 of the Act and Regulation 18 of the SEBI LODR Regulations, nor a duly constituted Nomination and Remuneration Committee as required under Section 178 of the Act and Regulation 19 of the SEBI LODR Regulations.

    Accordingly, the Consolidated Financial Statements for the year ended March 31, 2026, is not reviewed by the Audit Committee in accordance with the aforesaid provisions. The Management has informed us that, being a Central Public Sector Enterprise (CPSE), the power to appoint Directors vests with the Government of India, and necessary communications have been made to the Government for the appointment of the required number of Independent Directors.

    Our opinion is not modified in respect of this matter.

27. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements;

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors;

    c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act as amended from time to time;

e. The provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Group, being a Government Company in terms of notification no. G.S.R.463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Government of India;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended the provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Holding Company and its Subsidiaries, being a Government Company/ies, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463(E) dated June 5, 2015;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note No. 49 to the Consolidated Financial Statements;

   ii. The Group Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group;

   iv. a. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   b. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   c. Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rule, 2014 contain any material misstatement.

v. In respect of the Holding Company, we report that the dividend declared/ paid by the Holding Company during the year is in compliance with section 123 of the Act. The subsidiaries have not declared or paid any dividends during the year.

vi. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India (ICAI), which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, except the instances mentioned below, we report that the Holding Company and the above referred subsidiaries have used an accounting software ie.,SAP S/4HANA, for maintaining its books of account, which has a feature of security audit log and recording audit trail (edit log) facility for all relevant transactions recorded in the software:

a. The feature of recording audit trail (edit log) facility was enabled for identified database tables to log data changes for the accounting software used for maintaining the books of account. However, any direct data change to SAP database tables are not being carried out;

b. Security audit log was enabled in the ERP. The feature of recording audit trail (edit log) facility of the accounting software was enabled during the year under audit;

Further, for the periods where audit trail (edit log) facility was enabled and operated, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally, the audit trail has been preserved by the Holding Company and it's subsidiaries as per the statutory requirements for record retention. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the SAs and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

For **Babu A. Kallivayalil & Co.,**
Chartered Accountants,
Firm Registration No. 05374S

Alexander Nallanickal Koshy
Partner,
Membership No. 007448
UDIN: 26007448YPSBJU2895

Kochi
May 15, 2026

Annexure A to the Independent Auditors' Report

(Referred to in Paragraph 25 under "Report on Other Legal and Regulatory Requirements" Section of our Report of even date.)

As required by Paragraph 3 (xxi) of the Companies (Auditor's Report) Order, 2020 (CARO) we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the Standalone Financial Statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

Sl. No.	Name of the Company	CIN	Relation	Date of Auditors Report	Paragraph no. in respective CARO Reports
1	Cochin Shipyard Limited	L63032KL1972GOI002414	Holding Company	May 15, 2026	xiii
2	Hooghly Cochin Shipyard Limited	U35900WB2017GOI223197	Subsidiary	April 24, 2026	Nil
3	Udupi Cochin Shipyard Limited	U27209TN1984GOI010994	Subsidiary	April 24, 2026	I(c)

For **Babu A. Kallivayalil & Co.,**
Chartered Accountants,
Firm Registration No. 05374S

Alexander Nallanickal Koshy
Partner,
Membership No. 007448
UDIN: 26007448YPSBJU2895

Kochi
May 15, 2026

Annexure B to the Independent Auditor's Report

(Referred to in Paragraph 27(f) under "Report on Other Legal and Regulatory Requirements" Section of our Report to the Members of the Company of even dated.)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of Cochin Shipyard Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India, as of that date.

In our opinion, and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph section below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Group.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Board of Directors of the Company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to all subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **Babu A. Kallivayalil & Co.,**
Chartered Accountants,
Firm Registration No. 05374S

Alexander Nallanickal Koshy
Partner,
Membership No. 007448
UDIN: 26007448YPSBJU2895

Kochi
May 15, 2026

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COCHIN SHIPYARD LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129 (4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 15.05.2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2026 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Cochin Shipyard Limited, Hooghly Cochin Shipyard Limited but did not conduct supplementary audit of the financial statements of Udupi Cochin Shipyard Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the consolidated financial statements by the management, as indicated in Note Nos. 49 A (c) (v) and 49 C of the Consolidated Financial Statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(S. Velliangiri)
Principal Director of Audit, Shipping

Place: Chennai
Date: 14.08.2026

Consolidated Balance Sheet

as at March 31, 2026

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	3,15,643.54	3,03,410.09
(b) Capital Work-In-Progress	5	58,611.36	51,499.36
(c) Intangible Assets	6	724.61	1,292.27
(d) Intangible Assets Under Development	7	68.06	68.06
(e) Financial Assets			
(i) Investments	8	11,300.18	19.26
(ii) Loans	9	625.01	551.52
(iii) Other Financial Assets	10	190.01	167.03
(f) Income Tax Assets (net)	11	2,946.83	2,946.83
(g) Deferred Tax Assets (net)	12	-	10,964.80
(h) Other Non-Current Assets	13	795.61	850.60
Total Non-Current Assets		**3,90,905.21**	**3,71,769.82**
Current Assets			
(a) Inventories	14	2,28,836.29	1,89,608.53
(b) Financial Assets			
(i) Trade Receivables	15	42,321.88	22,484.91
(ii) Cash and Cash Equivalents	16	10,538.70	31,667.12
(iii) Bank Balances Other than (ii) above	17	2,30,055.39	2,79,595.10
(iv) Loans	18	163.99	131.10
(v) Other financial assets	19	10,616.87	27,864.93
(c) Current Tax Assets (net)	11	10,346.67	-
(d) Other Current Assets	20	5,27,810.60	4,16,801.22
Total Current Assets		**10,60,690.39**	**9,68,152.91**
Assets held for sale	21	**1,469.50**	**-**
Total Assets		**14,53,065.10**	**13,39,922.73**
EQUITY AND LIABILITIES			
Equity :			
(a) Equity Share Capital	22	13,154.04	13,154.04
(b) Other Equity	23	5,74,121.68	5,44,771.99
Total Equity		**5,87,275.72**	**5,57,926.03**
Liabilities :			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	2,302.20	2,302.20
(ii) Lease Liabilities	25	53,599.92	46,013.72
(iii) Other Financial Liabilities	26	21.81	19.99
(b) Provisions	27	5,466.48	5,329.32
(c) Deferred Tax Liabilities (Net)	12	5,339.38	614.76
(d) Other Non Current Liabilities	28	940.71	8.08
Total Non-Current Liabilities		**67,670.50**	**54,288.07**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	29	1,07,583.59	4,599.11
(ii) Lease Liabilities	30	3,689.62	3,125.68
(iii) Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	31	11,364.74	10,461.36
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		84,877.88	38,948.18
(iv) Other Financial Liabilities	32	36,610.23	23,916.40
(b) Other Current Liabilities	33	4,95,874.04	5,41,551.97
(c) Provisions	34	58,118.78	1,02,645.68
(d) Current tax liabilities (net)	11		2,460.25
Total Current Liabilities		**7,98,118.88**	**7,27,708.63**
Total Equity and Liabilities		**14,53,065.10**	**13,39,922.73**
Corporate overview and Material Accounting Policy Information	1 - 3		
Notes to the Consolidated Financial Statements	4 - 75		

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Consolidated Statement of Profit & Loss

For the Year ended March 31, 2026

(₹ in lakhs)

Particulars		Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	**Income**			
	Revenue From Operations	35	5,02,186.95	4,81,995.88
	Other Income	36	40,982.42	38,906.50
	Total Income		**5,43,169.37**	**5,20,902.38**
II	**Expenses:**			
	Cost of Materials Consumed	37	2,19,581.67	2,13,404.08
	Changes in Inventories of Work-in-Progress	38	721.49	(532.85)
	Sub Contract and Other Direct Expenses	39	1,06,324.14	87,928.42
	Employee Benefits Expenses	40	47,236.62	42,436.89
	Finance Costs	41	9,237.61	3,857.55
	Depreciation and Amortisation Expenses	42	12,979.33	10,317.64
	Other Expenses	43	42,678.17	38,169.27
	Provision for Anticipated Losses and Expenditure	44	4,506.92	12,804.33
	Total Expenses		**4,43,265.95**	**4,08,385.33**
III	**Profit Before Exceptional items and tax**		**99,903.42**	**1,12,517.05**
IV	Exceptional items		-	-
V	**Profit BeforeTax**		**99,903.42**	**1,12,517.05**
VI	**Tax expense:**			
	(1) Current tax	11	8,851.00	29,550.79
	(2) Income tax of prior years	11	(1,948.53)	875.11
	(3) Deferred tax	11	21,327.00	(641.90)
VII	**Profit for the year**		**71,673.95**	**82,733.05**
VIII	**Other comprehensive income**			
	A) Items that will be reclassified to profit or loss			
	i) Effective portion of gains/losses on cash flow hedging instruments		(21,985.41)	865.28
	ii) Income tax relating to items that will be reclassified to profit or loss		5,548.57	(225.90)
	B) Items that will not be reclassified to profit or loss			
	i) Remeasurements of defined employee benefit obligations		(357.34)	(337.82)
	ii) Changes in fair value of FVTOCI equity instruments		3.23	6.71
	iii) Income tax relating to items that will not be reclassified to profit or loss		89.00	86.01
	Other comprehensive income for the year		**(16,701.95)**	**394.28**
IX	**Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)**		**54,972.00**	**83,127.33**
X	**Earnings per equity share of ₹5 each :**	45		
	(1) Basic (₹)		27.24	31.45
	(2) Diluted (₹)		27.24	31.45
	Corporate overview and Material Accounting Policy Information	1 - 3		
	Notes to the Consolidated Financial Statements	4 - 75		

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	**99,903.42**	**1,12,517.05**
Adjustments for :		
Depreciation and amortisation expense	12,979.33	10,317.64
Dimunition in value of Loose tools	274.45	192.03
Finance cost	9,237.61	3,857.55
Interest income	(16,720.55)	(19,781.17)
Provision for anticipated losses and expenditure	4,287.61	12,141.50
Provision no longer required	(20,762.27)	(14,054.34)
Loss allowance for Trade Receivables	219.31	662.83
Dividend income from Mutual Funds	(148.87)	(72.78)
Loss on sale/write off of Property, Plant and Equipment (PPE)	112.54	5.65
Profit on sale of PPE	-	(23.90)
Deferred Govt. Assistance	(1.14)	(1.14)
Loss/(gain) on derivative contracts (net)		
Net (gain) /loss on foreign currency transactions		
Net (gain) /loss on foreign currency/ derivative transactions	(9,282.18)	86.86
Bad debts written off	-	8,614.55
Operating cash flow before working capital changes	**80,099.26**	**1,14,462.33**
Movements in working capital :		
(Increase) / decrease in inventories	(39,227.76)	(86,999.13)
(Increase) / decrease in trade, other receivables and assets	(1,30,034.63)	(97,789.58)
Increase / (decrease) in trade and other payables	(21,205.41)	56,526.85
	(1,10,368.54)	**(13,799.53)**
Income tax paid net of refunds	(13,039.47)	(14,621.19)
Net cash flows from operating activities (A)	**(1,23,408.01)**	**(28,420.72)**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(7,003.49)	(16,469.60)
(Increase) / decrease in Intangible assets under development	-	(7.42)
(Increase) / decrease in capital work In progress	(8,112.84)	(9,295.43)
(Increase) / decrease in Other Bank balances	49,539.71	76,164.15
(Increase) / decrease in Capital advance	(9,475.44)	(19,472.21)
Dividend received	148.87	72.78
Investment in NCD of DCI	(11,148.00)	-
Sale proceeds from PPE	33.64	120.63
Interest received	18,834.71	22,690.37
(Borrowings)/ Repayment of loans	(105.69)	(43.05)
Net cash flows from investing activities (B)	**32,711.47**	**53,760.22**
C. Cash flow from financing activities		
Repayment of lease liability	(3,567.97)	(2,970.05)
Dividend paid	(25,650.38)	(25,650.38)
Proceeds from WCDL/Short term borrowing	4,06,957.90	4,599.11
Repayment of WCDL/Short term borrowing	(3,03,973.43)	-
Finance cost	(4,198.00)	(292.36)
Net cash flows from financing activities (C)	**69,568.12**	**(24,313.68)**
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(21,128.42)**	**1,025.82**
Cash and cash equivalent at the beginning of the year	**31,667.12**	**30,641.30**
Cash and cash equivalent at the end of the year	**10,538.70**	**31,667.12**

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

Cash Flow Reconciliation:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash and cash equivalents		
Balance with Banks		
In current account	835.23	1,617.12
Term deposits with original maturity of less than three months	9,703.47	30,050.00
Cash and cash equivalents for the purpose of Statement of Cash flows	**10,538.70**	**31,667.12**

1. Statement of Cash Flows are prepared and presented using the Indirect Method, whereby profit/loss before tax is adjusted for the effect of transactions of non-cash nature and , any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financial cash flows. The cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

2. For the purpose of statement of cash flow, Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less (other than lien marked deposits), which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any. Bank overdrafts, if any, are disclosed within borrowings in current liabilities in the Balance Sheet.

Corporate overview and Material Accounting Policy Information 1 - 3

Notes to the Consolidated Financial Statements 4 - 75

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

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Director (Technical)
DIN:09576336

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

A. Equity Share Capital

(₹ in lakhs)

Balance as at April 01,2025	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	As at March 31, 2026
13,154.04	0.00	0.00	0.00	13,154.04

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(₹ in lakhs)

Balance as at April 01,2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	As at March 31, 2025
13,154.04	0.00	0.00	0.00	13,154.04

B. Other Equity

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

(₹ in lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total		
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Effective portion of Cash Flow Hedges	Attributable to the Parent Company	Attributable to NCI	Other Equity
Balance as at April 01, 2025	**7,024.25**	**93,151.89**	**6,322.75**	**4,25,873.71**	**12,353.76**	**-**	**45.63**	**5,44,771.99**	**-**	**5,44,771.99**
Changes in accounting policy or prior period errors*				-				-		-
Restated balance at the beginning of the reporting period	7,024.25	93,151.89	6,322.75	4,25,873.71	12,353.76	-	45.63	5,44,771.99		5,44,771.99
Profit for the year				71,673.95				71,673.95		71,673.95
Other comprehensive income for the year				(265.11)			(16,436.84)	(16,701.95)		(16,701.95)
Total comprehensive income for the year				**71,408.84**	**-**	**-**	**(16,436.84)**	**54,972.00**		**54,972.00**
Dividends				(25,650.38)				(25,650.38)		(25,650.38)
Transfer to retained earnings				-		-	-	-		-
Land accounted at fair value	28.09							28.09		28.09
Amortisation of premium		(0.02)						(0.02)		(0.02)
Balance as at March 31, 2026	**7,052.34**	**93,151.87**	**6,322.75**	**4,71,632.17**	**12,353.76**	**-**	**(16,391.21)**	**5,74,121.68**		**5,74,121.68**

Refer Note 23 for further details

*EIR adjustment for financial instrument measured at amortised cost

Consolidated Statement of Changes in Equity
for the year ended March 31, 2026

B. Other Equity

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(₹ in lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total		
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Effective portion of Cash Flow Hedges	Attributable to the Parent Company	Attributable to NCI	Other Equity
Balance as at April 01, 2024	7,024.25	93,151.90	6,322.75	3,68,920.72	12,353.76	-	(593.75)	4,87,179.63		4,87,179.63
Changes in accounting policy or prior period errors				115.42				115.42		115.42
Restated balance at the beginning of the reporting period	7,024.25	93,151.90	6,322.75	3,69,036.14	12,353.76	-	(593.75)	4,87,295.05		4,87,295.05
Prior period adjustments				-						
Profit for the year				82,733.05				82,733.05		82,733.05
Other comprehensive income for the year				(245.10)			639.38	394.28		394.28
Total comprehensive income for the year				**82,487.95**			**639.38**	**83,127.33**		**83,127.33**
Dividends (including taxes)				(25,650.38)				(25,650.38)		(25,650.38)
Transfer to retained earnings						-	-	-		-
Amortisation of premium		(0.01)						(0.01)		(0.01)
Balance as at March 31, 2025	**7,024.25**	**93,151.89**	**6,322.75**	**4,25,873.71**	**12,353.76**	**-**	**45.63**	**5,44,771.99**	**-**	**5,44,771.99**

Refer Note 23 for further details

Corporate overview and Material Accounting Policy Information 1 - 3

Notes to the Consolidated Financial Statements 4 - 75

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

1. CORPORATE OVERVIEW AND MATERIAL ACCOUNTING POLICY INFORMATION

1.1 Corporate Information:

Cochin Shipyard Limited (referred to as "CSL" or "Holding Company") is one of the leading shipyards in India, located in the southern state of Kerala. The Company was founded in 1972 and is owned by the Government of India. The Group is primarily engaged in shipbuilding and ship repair, catering to both the domestic and international markets.

The Holding Company is a "Miniratna", Schedule-"A", Category-I CPSE, which is also a public limited Group incorporated and domiciled in India. The registered office of the Holding Company is Perumanoor, Kochi, Kerala.

As at March 31, 2026, the Government of India holds 67.91% of the Group's equity share capital. The Group's equity shares are listed for trading on NSE Limited and BSE Limited in India and tax-free bonds are listed for trading on BSE Limited.

The Consolidated Financial Statements relate to Cochin Shipyard Limited (Holding Company) and its Subsidiaries, Hooghly Cochin Shipyard Limited (hereinafter referred to as Hooghly-CSL) and Udupi Cochin Shipyard Limited (hereinafter referred to as UCSL) (Formerly Tebma Shipyards Ltd).

The Holding Company and its Subsidiaries are together referred to as "Group".

The Consolidated Financial Statements for the year ended March 31,2026 were approved by the Board of Directors and authorized for issue on May 15, 2026 which are subject to the supplementary audit by the Comptroller & Auditor General of India (C&AG) and final approval of the shareholders.

Details of Subsidiaries	Share holding
Hooghly Cochin Shipyard Ltd. (hereinafter referred to as Hooghly-CSL) incorporated on October 23, 2017 is mainly engaged in the business of construction and repair of vessels of all types.	100%
Udupi Cochin Shipyard Limited (Formerly Tebma Shipyards Ltd), acquired on September 15, 2020 through NCLT process, is mainly engaged in the business of construction and repair of vessels of all types.	100%

2. Basis of preparation and presentation of Consolidated Financial Statements

2.1 Statement of compliance

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other Accounting Principles generally accepted in India.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013 (the Act). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2.2 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Indian Rupees (₹) which is Group's presentation and functional currency and all values are rounded to the nearest Lakhs (rounded off to two decimals) as permitted by Schedule III of the Act except when otherwise indicated.

2.3 Basis of Measurement

These Consolidated Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

2.3.1 Current/ Non-Current Classification

An Asset/ liability is classified as current if it satisfies any of the following conditions:

i. the asset/ liability is expected to be realized/ settled in the Group's normal operating cycle;

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

ii. the asset is intended for sale or consumption;

iii. the asset/ liability is held primarily for the purpose of trading;

iv. the asset/ liability is expected to be realized/ settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/ non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle of different business activities as follows:

(i) In case of ship building and ship repair, normal operating cycle is considered vessel wise, as the time period from the effective date of contract to the date of expiry of warranty period.

(ii) In the case of other business activities, normal operating cycle is 12 months.

2.3.2 Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of the CSL and its subsidiaries as at March 31, 2026.

Subsidiaries are entities (including structured entities) over which the Holding Company has control. The Holding Company controls an entity when the Holding Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Holding Company gains control until the date the Holding Company ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31. Following consolidation procedure is followed:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary.

c) Eliminate in full intraGroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intraGroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). IntraGroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intraGroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3.3 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition related transaction costs are recognised as expense in the statement of profit and loss as and when incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

*Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

* Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Aggregate amount of consideration transferred (Purchase consideration) in excess of the Group's interest in the acquiree's net fair value of identifiable assets and liabilities is recognised as Goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities over the purchase consideration is recognised in the Capital Reserve.

Non-Controlling Interest

Non-controlling interest represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Group's shareholders. Non-controlling interest is initially measured at the proportionate share of the recognized amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests, shown separately in the Consolidated Financial Statements.

2.4 Use of estimates and judgments

The preparation of the Consolidated Financial Statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the Consolidated Financial Statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialize.

The estimates and underlying assumptions are reviewed on an ongoing basis.

2.5 Critical Accounting estimates and judgments:

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the Consolidated Financial Statements have been disclosed below:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

a) Valuation of deferred tax assets / liabilities

The Group reviews the carrying amount of deferred tax assets / liabilities at the end of each reporting period. Significant judgments are involved in determining the elements of deferred tax items.

b) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgments in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

For computation of lease liability, Ind AS 116 requires lessee to use their incremental borrowing rate as discount rate if the rate implicit in the lease contract cannot be readily determined.

For leases denominated in Group's functional currency, the Group considers the incremental borrowing rate to be the interest rate on borrowings from banks available to the Group.

c) Provision towards Guarantee repairs

A provision is made towards guarantee repairs/claims in respect of newly built ships/small crafts delivered and repaired ships on the basis of the technical estimation done by the Group. The guarantee claims received from the ship owners are reviewed every year till settlement of the same. In case of a shortfall / surplus in the provision made earlier, necessary adjustments are made.

d) Litigations

From time to time, the Group is subject to legal proceedings and the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the liability to make a reasonable estimate of the amount of potential loss. Provision for litigations are reviewed at the end of each accounting period and revisions made for the changes in facts and circumstances.

e) Fair value measurements

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 under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

f) Liquidated Damages

Claims for liquidated damages against the Group are recognized in the consolidated financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

g) Revenue Recognition

The Group exercises significant judgment in measuring progress of performance obligations satisfied over time for recognition of revenue from contracts with customers.

Revenue is recognized over time by measuring the work carried out or survey of performance completed to date under output method. Under this method, works completed to date in each contract are the basis to measure and recognize revenue. The quantum is calculated by each project team based on the technical progress up to the reporting date. The revenue recognized reflects the value of works completed/ measured to date in line with the consideration as determined in the respective contracts.

Provision for estimated losses if any, on the uncompleted part of the contracts are provided in the period in which such losses become probable based on the expected contract estimates at the reporting date.

h) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the Government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post employment benefit obligations.

3. Material Accounting Policy Information

The Group has consistently applied all the accounting policies to the period presented in this Consolidated Financial Statements except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Group presents the material accounting policies under this note, which should be read in conjunction with the information presented and disclosed in the relevant notes referred under these Consolidated Financial Statements and are considered to be "Material Accounting Policy Information".

3.1 Property , Plant and Equipment (PPE)

Recognition and Measurement:

Items of Property, Plant and Equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. For the items of Property, Plant and Equipment existing as on April 1, 2015 i.e Group's date of transition to Ind AS, was carried at deemed cost ie carrying amount as at that date. However in case of UCSL, fair value has been adopted as deemed cost on the transition date to Ind AS.

If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment.

Spare Parts are capitalized when they meet the definition of Property, Plant and Equipment, i.e., when the Group intends to use these for a period exceeding 12 months, have value of more than ₹ 5 Lakhs and that can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalized and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower.

Any gain or loss on disposal of an item of Property, Plant and Equipment is recognized in the statement of profit and loss account.

Subsequent Expenditure:

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items is material and can be measured reliably.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

3.2 Capital work in progress

Capital work in progress are property, plant and equipment that are not yet ready for their intended use at the reporting date, which are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital work in Progress ('CWIP').

3.3 Intangible Assets

Design development: Cost incurred on Design Development which is not directly chargeable on a product are capitalized as Intangible Asset and amortized on a straight-line basis over a period of five years.

Software: Cost of software which is not an integral part of the related hardware acquired for internal use is capitalized as intangible asset and amortized on a straight-line basis over a period of three years.

Internally generated procedure: Cost of internally generated weld procedure is capitalized as Intangible Asset and amortized on a straight-line basis over a period of three years.

For the intangible assets existing as on April 1, 2015 i.e Group's date of transition to Ind AS, was carried at deemed cost ie carrying amount as at that date.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development"

3.4 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group's lease asset classes primarily consist of leases for Land and Buildings.

i) As a Lessee:

At the date of commencement of the lease, the Group recognizes a lease liability and a corresponding right-of-use ("RoU") asset for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognizes the lease payments as an operating expense on a straight-line basis or another systematic basis over the term of the lease.

Right of Use (RoU) Assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Lease Liabilities

The lease liability is initially measured at the present value of the future lease payments ie., amortised cost under effective interest method.The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of right of use asset, or is recorded in statement of profit and loss, if carrying amount of the right of use asset has been reduced to nil

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the RoU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and RoU assets is also suitably adjusted.

The Group presents right of use assets in 'property, plant and equipment' and the lease liabilities separately from other liabilities in the Balance Sheet.

ii) As a lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease.

For operating leases, rental income is recognized on a straight line basis or another systematic basis over the term of the relevant lease .The difference between the amount recognized as lease rental income and actual cashflows receivable as per the lease agreement is adjusted in ("Accrued Lease Rental asset").

3.5 Depreciation

Depreciation on property, plant and equipment is provided on straight-line method based on useful life of the asset as prescribed in part C of Schedule II to the Companies Act, 2013 except to the extent described below:

* For the assets constructed/developed for International Ship Repair Facility (ISRF) and New Dry Dock Project, depreciation is provided on the basis of useful life as assessed by technical experts.

* For the assets acquired from Cochin Port Trust for International Ship Repair Facility (ISRF), depreciation is provided on the basis of remaining useful life as assessed by technical experts.

* Assets on leased premises are depreciated from the commencement date on a straight line basis over the shorter of its the end of the useful life of the Right Of Use asset/ Assets on leased premises or the end of the lease term.

*For certain types of buildings and equipments ,based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act.

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions and up to the date of such deletions.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% of original cost is considered for all categories of assets.

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Based on the technical evaluation of the management, for few categories of plant and machinery, the useful life is determined on double shift basis.

Capital Work in Progress included under Property, Plant and equipments are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

3.6 Impairment of Assets -Non Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, available quoted market prices for public traded companies or other available fair value indicators."

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Inventories

Inventory valuation is as per provisions of Ind AS 2.

Raw materials and components are valued at weighted average cost method . When they are intended to project use, valuation is done at project specific weighted average cost method

Stores and spares are valued at weighted average cost method.

Goods in transit are valued at cost.

Work in progress have been valued at lower of cost and net realisable value.

Finished goods have been valued at lower of cost and Net realizable value.

3.8 Financial instruments

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

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

a) Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognized at the proceeds received net of direct issue cost.

b) Financial Assets

Initial recognition and measurement

All Financial Assets other than trade receivables are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in three categories:

*Financial assets at amortized cost;

*Financial assets at Fair Value through other comprehensive income (FVTOCI);

*Financial assets at Fair Value through statement of profit and loss (FVTPL);

i) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these 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.

ii) Financial assets at Fair Value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

iii) Financial assets at Fair Value through statement of profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

Investments

All equity investments in scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group had made an irrevocable election to present the subsequent changes in the fair value in other comprehensive income. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling/reclassification of the amounts from OCI to the Statement of Profit and Loss, even on sale/disposal of the said equity investments.

Investment in preference shares/debentures are treated as equity instruments if the same are convertible into equity shares. Investment in preference shares/debentures not meeting the aforesaid condition is classified as debt instruments at amortized cost.

Investment in a 'debt instrument' is measured at the amortized cost if both the following conditions are met: The asset is held within a business model whose objective is -

(1) To hold assets for collecting contractual cash flows, and

(2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortization is included in other income in the Statement of Profit and Loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not subsequently measured as at FVTPL

c) Lease Receivables under Ind AS 116

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

Trade Receivables

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset. A receivable is a right to consideration that is unconditional and only the passage of time is required before the payment of that consideration is due.

The Group assesses at each Balance Sheet date whether a financial asset or a Group of financial asset is impaired. Ind AS 109 requires expected credit loss to be measured through a loss allowance.

The Group recognizes lifetime expected credit losses for all trade receivables that do not constitute a financing transaction. Impairment loss allowance is based on a simplified approach as permitted by Ind AS 109. As a practical expedient, the Group uses a provision matrix to determine the impairment loss on the portfolio of its trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Group estimates provision on trade receivables at the reporting date.

Impairment loss allowance (or reversal) that is required to be recognized at the reporting date is recognized as an impairment loss or gain in the Statement of Profit & Loss Account.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

* Financial Assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

* Financial Guarantee contracts: ECL is presented as a provision in the Balance Sheet, i.e. as a liability.

*Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

c) Financial liabilities

Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortized cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognized immediately in the Statement of Profit and Loss.

The Group's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

* Financial liabilities at Fair Value through statement of profit and loss (FVTPL);

* Financial liabilities at amortized cost;

* Financial Guarantee Contracts;

i) Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

ii) Financial Liabilities at amortized cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

iii) Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative income recognized in accordance with principles of Ind AS 115.

d) De-recognition of Financial Instruments

A financial asset is de-recognized when:

* The rights to receive cash flows from the asset have expired, or

* the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognized from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in Consolidated Financial Statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f) Derivative instruments and hedge accounting:

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non-designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative that are designated as Hedge Instrument

The Group undertakes foreign exchange forward contracts for hedging foreign currency risks. The Group generally designates the whole forward contract as hedging instrument.

These hedging instruments are governed by the Group's foreign exchange risk management policy approved by the Board of Directors.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management

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for the year ended March 31, 2026

objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of change in the fair value of the designated hedging instrument is recognized in the Other Comprehensive Income ('OCI') and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting.

g) Contract Assets

Where the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset. A contract asset is Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, when that right is conditioned on something other than the passage of time. Contract assets are reviewed for impairment in accordance with Ind AS 109.

h) Contract Liabilities

Where the Group receives consideration, or the Group has a right to an amount of consideration that is unconditional (ie a receivable), before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3.9 Provisions , Contingent Liabilities and Contingent assets

a) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions (excluding retirement benefits and compensated leave) are not discounted to its present value and are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates.

Warranty obligations included in this type of provisions are not treated as a separate performance obligation, unless the customer has the option of contracting the warranty separately, therefore they are recognized in accordance with Ind AS 37. These provisions are classified as current liabilities since they relate to the operating construction projects cycle, in line with Ind AS 1.

Provision towards guarantee claims in respect of ships delivered wherever provided/ maintained is based on technical estimation. For the ships delivered, guarantee claims are covered by way of insurance policies covering the guarantee period on case-to-case basis, wherever required.

Provisions for anticipated losses are recognized when it becomes apparent that the total costs expected to fulfil a contract exceed expected contract revenues. For the purpose of determining, where appropriate, the amount of the provision, budgeted contract revenue will include the forecast revenue that is considered probable, in line with Ind AS 37 as well as incremental costs. General costs are not directly attributable to a contract and are therefore excluded from the Budgeted cost unless they are explicitly passed on to the counterparty in accordance with the contract, in line with paragraph 68 of Ind AS 37.

b) Contingent Liabilities and Contingent Assets

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the Group treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the Consolidated Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings, Group does not expect them to have a materially adverse impact on the financial position or profitability. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognize a contingent asset but discloses its existence in the Consolidated Financial Statements where an inflow of economic benefits is probable.

3.10. Asset Held for Sale

Non-current assets or disposal groups are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such assets are available for immediate sale in their present condition and their sale is highly probable. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

3.11 Revenue Recognition

a) Revenue from Operations

Revenue from contracts with customers are measured based on the consideration specified in a contract with a customer (ie., transaction price, which is the fair value of consideration received or receivable)

At the first instance, revenue recognition process involves identifying the relevant contracts and technical evaluation of the performance obligations, contained therein.

A single performance obligation is identified in shipbuilding and/or ship repair segments for each vessel, due to the high degree of integration and customization of the various goods and services forming a combined output that is transferred to the customer over time.

The Group choses the appropriate method of measuring the progress of the completion at the contract inception for recognizing revenue over time, and are applied consistently to similar performance obligations under the respective segments and/or activities carried out thereon.

Recognition of Revenue for a performance obligation satisfied over time is made only if the Group can reasonably measure its progress towards complete satisfaction of the performance obligation.

The performance obligations for the shipbuilding and Ship repair activities carried out by the Company are satisfied over time rather than at a point in time since the Company's performance does not create an asset with an alternative use to the Company ie contractual restrictions and practical limitations to readily direct that asset for another use(Even in some cases it will be able to do so, it can only be done after significant changes and at significant cost) and it has an enforceable right to payment for performance completed to date.

Revenue is recognized when the Group satisfies performance obligations by transferring promised goods and services to the customer over a period of time using output method based on measurement of

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

physical performance completed to date in respect of contracts with customers for ship building and ship repair other than Indigenous Aircraft Carrier (IAC).

In respect of contract with Indian Navy for construction of Indigenous Aircraft Carrier, which is partly 'fixed price basis' and partly 'cost plus basis', the revenue

- from fixed price portion is recognized using output method .
- by way of mark up from cost plus part of the contract for procuring and supply of materials and design outsourcing is recognized when performance obligations as per the terms of the contract are fulfilled upon making payments to the suppliers.
- The cost of materials, value of design outsourcing and other expenses incurred for the vessel which are recoverable separately from Navy are charged off to the statement of Profit and Loss when materials are consumed/ activities are performed/expenses are incurred and are simultaneously grossed up with the value of work done and recognized as revenue.

In the case of ship repair contracts involving continuous multiple years maintenance support/ recurring and routine services, the Group opted for time-elapsed output method, i.e, measuring the progress based on time elapsed to reporting date, which is representative of the satisfaction of performance obligation subject to entitlement of consideration in exchange of goods and/or services.

Based on the technical assessment considering the latest available information to the Group, measuring the progress towards complete satisfaction of a performance obligation in the method adopted will be revised/updated on an ongoing basis.

During the initial stages of a contract, where the Group may not be able to reasonably measure the outcome of a performance obligation and the Group expects to recover the costs incurred in satisfying the performance obligation, revenue will be recognized only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Contract modifications are accounted when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Where the goods or services added are not distinct, adjustment to revenue is made on a cumulative catch up basis. Where the goods or services added are distinct, and such additional goods or services are priced at standalone selling prices, the contract modification is accounted for as a separate contract; whereas if the modification is not priced at standalone selling price, the same is accounted as a termination of the existing contract and creation of a new contract.

The Group generally does not recognize any revenue from additional work until it has been approved by the customer. When the scope of work has been approved but the impact on revenue is yet to be valued, the "variable consideration" requirement (as explained below) will apply. This entails recognizing revenue in an amount that is unlikely to be reversed.

If the consideration promised in a contract includes variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages or other similar items, the Group estimates the net amount of consideration to which the Group is entitled in exchange for transferring the promised goods or services to a customer and accounts for the same. The payment terms are based on milestones specified in the respective contracts with customers. On achieving the specified milestones these payments are released.

Revenue from Supply of Base & Depot Spares is recognized based on the satisfaction of performance obligation at a point in time on proof of receipt of goods from customer.

Unlike revenue recognition, amounts billed to the customer are based on the various milestones reached under the contract and on acknowledgement thereof by the customer by means of a contractual document referred to as a progress billing certificate. Therefore, the amounts recognized as revenue for a given year do not necessarily match those billed to or certified by the customer. For contracts in which the revenue recognized exceeds the amount billed or certified, the difference is recognized in as "Contract Asset" under "Other Current Assets", while for contracts in which the revenue recognized is lower than the amount billed or certified, the difference is recognized as "Contract Liability" under "Other Current Liabilities".

Other Operating Revenue with respect to sale of stock items,scrap and consultancy income is recognized at a point in time when the Group satisfies performance obligations and right to receive the income is established as per terms of the contract by transferring promised goods and services to the customer.

Management fee is also recognized over a period of time.

HCSL is recognising Revenue of Management Fees/ Agency Fees on the basis of % of Cost completion.

b) **Government Grants**

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in Statement of Profit and Loss on a systematic basis over the periods in which the Group recognizes as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognized as deferred income, and amortized over the expected useful life of the asset. Other grants are recognized in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Ship Building Financial Assistance (SBFA) is recognized over a period of time in proportion to the expenses / cost incurred and classified under "Revenue from Operations".

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit & loss in the period in which they become receivable.

c) **Other income**

i) **Liquidated damages and interest on advances**

No income is recognized on (a) interest on advances given and (b) liquidated damages, where the levies depend on decisions regarding force majeure condition of contract. These are accounted for on completion of contracts and / or when final decisions are taken.

In the case of contracts entered into for execution of capital works having long gestation period, where the extant commercial terms of the contract provides for provision of extending interest bearing mobilisation advance to the service provider for mobilising various resources for timely execution, mobilisation advances are paid and interest is accounted on accrual basis.

ii) **Accounting for insurance claims**

(i) **Warranty/Builder Risk claims**

In the case of guarantee defects covered under warranty insurance policies or claims under Insurance Policies taken for ship building and ship repair works, the insurance claims lodged are recognized in the Consolidated Financial Statements in the year in which the survey is completed and the probable amount of settlement is intimated by the insurance Company.

(ii) **Other Insurance Policies**

In the case of other Insurance Policies like Asset Insurance, Transit Insurance, Marine Insurance, Cash Insurance etc., the claims are recognized in the the Consolidated Financial Statements on settlement of the claims by way of receipt of the amount from the Insurance Company.

In the case of Medical insurance, claims are recognized on due basis, based on the claims submitted with the insurance Company.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

3.12 Employee benefits

Employee benefits consist of salaries and wages, contribution to provident fund, superannuation fund, gratuity fund,National pension Scheme towards medical assistance, which are short term in nature and contribution towards compensated absences, which is long term in nature.

Post-employment benefit plans

i) Defined Contribution plans

Defined contribution to Employees Pension scheme for eligible employees is made to National Pension Scheme (NPS) and are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

The Holding Company makes contributions to the Cochin Shipyard Employees Mutual Public Welfare Trust and Employees Medical Assistance Trusts, which are charged as expense, as and when they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

In respect of subsidiaries, contributions to Provident Fund are made to the Regional Provident Fund Commisioner and are charged to the Profit and Loss account. The companies have no further obligations for future Providend Fund benefits other than its monthly contributions.

ii) Defined benefit plans

Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The fund of Holding Company is managed by the trustees of the Cochin Shipyard Ltd Group Gratuity Trust .The liability or asset recognized in the balance sheet in respect of its defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated periodically by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have terms approximating the terms of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of profit and loss as past service cost.

UCSL makes contribution to Group Gratuity Cash Accumulation plan maintained with Life Insurance Corporation of India (LIC).

Provident Fund and Pension Scheme

The Group also makes contribution towards provident fund. The provident fund of Holding Company is administered by the Trustees of the Cochin Shipyard Limited Employees Contributory Provident Fund Trust. The rules of the provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Government under para 60 of the Employees' Provident Fund Scheme, 1952, then the deficiency shall be made good by the Holding Company. The deficiency, if any assessed by the holding Company based on actuarial valuation will be provided for in the accounts.

Other employee benefits

Compensated absences

The Group has a policy on compensated absence which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is determined by Actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

3.13 Taxes on Income

a) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

b) Current tax

Current tax is measured at the amount of tax expected to be payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act, 1961. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using the tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

c) Deferred tax

Deferred tax is recognized using the Balance Sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

3.14 Operating Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chairman & Managing Director.

The Group has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Ship Building and 2) Ship Repair

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

3.15 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the consolidated Financial Statements and also as per Guidance note on Division II - Ind AS Schedule III.

3.16 Excluded Financial Asset

Pursuant to resolution plan and NCLT Order dated 4th March 2020, the following assets/matters of Erstwhile Tebma shipyards mentioned below are identified as excluded financial asset based on information provided by the COC or Resolution Professional

1) VAT refund;

2) Insurance claim for damages to Tug lodged with an insurance Company;

3) Insurance claim for theft and burglary with an insurance Company;

4) Trade receivables from Indian Navy; and

5) 50% (fifty percent) of the amount of subsidy claim (ie., Shipbuilding Finance Assistance/subsidy) form Government of India.

These items will be accounted on realization basis.

3.17 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On May 9, 2025, MCA notified the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Group has assessed that there is no significant impact on its Financial Statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This amendment has no applicability or impact on the Group's Financial Statements.

Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or noncurrent and non-current liabilities with covenants. The Group has applied the amendments to Ind AS 1 relating to Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants effective from 1 April 2025. The Group is also evaluating the impact of the specific provisions relating to covenant breaches that become effective from 1 April 2026.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 4 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 01st April 2025	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2026	As at 01st April 2025	For the year	Adjustment/ (withdrawal)	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
a) Owned Assets										
Land (Freehold)	3,267.86	28.09	-	3,295.95	-	-	-	-	3,295.95	3,267.86
Buildings & Roads	14,085.81	844.81	-	14,930.62	5,954.17	1,098.38	-	7,052.55	7,878.08	8,131.64
Plant and equipment	55,603.25	3,805.54	1,120.14	58,288.65	18,988.03	2,830.76	995.24	20,823.55	37,465.10	36,615.22
Furniture and fixtures	2,123.86	293.57	44.41	2,373.02	1,188.25	166.50	40.43	1,314.32	1,058.70	935.61
Vehicles	954.23	60.28	3.55	1,010.96	530.91	72.03	3.36	599.58	411.38	423.32
Office equipments	1,053.97	201.43	48.58	1,206.82	576.13	144.99	44.15	676.97	529.85	477.84
Others										
Data Processing Equipments	3,785.96	424.59	120.53	4,090.02	2,297.43	502.40	108.36	2,691.47	1,398.55	1,488.53
Docks and quays	1,06,658.39	2,967.30	-	1,09,625.69	3,137.13	1,951.34	-	5,088.47	1,04,537.23	1,03,521.26
Railway sidings	1.10	-	-	1.10	-	-	-	-	1.10	1.10
Electrical installations	2,795.63	363.02	0.83	3,157.82	1,557.67	237.20	0.32	1,794.55	1,363.27	1,237.96
Drainage and water supply	649.33	-	-	649.33	3.72	10.98	-	14.70	634.63	645.61
Vessels	95.42	-	-	95.42	16.24	5.65	-	21.89	73.53	79.18
Sub Total	**1,91,074.81**	**8,988.63**	**1,338.04**	**1,98,725.40**	**34,249.68**	**7,020.23**	**1,191.86**	**40,078.05**	**1,58,647.36**	**1,56,825.13**
b) Assets on leased premises										
Buildings & Roads	24,137.09	501.88	-	24,638.97	3,626.55	235.61	-	3,862.16	20,776.81	20,510.54
Plant and equipment	88,649.52	7,315.29	-	95,964.81	3,583.56	2,994.03	-	6,577.59	89,387.22	85,065.96
Docks and quays	162.31	-	-	162.31	18.53	-	-	18.53	143.78	143.78
Electrical installation	1,488.08	34.81	-	1,522.89	433.50	55.33	-	488.83	1,034.06	1,054.58
Slip way	1,117.99	-	-	1,117.99	864.94	14.20	-	879.14	238.85	253.05
Sub Total	**1,15,554.99**	**7,851.98**	**-**	**1,23,406.97**	**8,527.08**	**3,299.17**	**-**	**11,826.25**	**1,11,580.73**	**1,07,027.91**
Total (a)+(b)	**3,06,629.80**	**16,840.61**	**1,338.04**	**3,22,132.37**	**42,776.76**	**10,319.40**	**1,191.86**	**51,904.30**	**2,70,228.09**	**2,63,853.04**
c) Right Of Use Assets										
Right of Use - Land	42,899.54	7,444.60	-	50,344.14	8,676.42	1,572.69	-	10,249.11	40,095.03	34,223.12
Right of Use - Buildings	186.59	154.74	-	341.33	158.90	38.31	-	197.21	144.12	27.69
Right to use ship repair facility	7,000.00	-	-	7,000.00	2,214.67	120.11	-	2,334.78	4,665.22	4,785.33
Leased Land at Nazirgunge & salkia -Right to use	575.00	-	-	575.00	54.09	9.83	-	63.92	511.08	520.91
Sub Total	**50,661.13**	**7,599.34**	**-**	**58,260.47**	**11,104.08**	**1,740.94**	**-**	**12,845.02**	**45,415.45**	**39,557.05**
Total(a+b+c)	**3,57,290.93**	**24,439.95**	**1,338.04**	**3,80,392.84**	**53,880.84**	**12,060.34**	**1,191.86**	**64,749.32**	**3,15,643.54**	**3,03,410.09**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 01st April 2024	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2025	As at 01st April 2024	For the year	Adjustment/ (withdrawal)	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
a) Owned Assets										
Land (Freehold)	3,267.86	-	-	3,267.86	-	-	-	-	3,267.86	3,267.86
Buildings & Roads	10,523.68	3,562.13	-	14,085.81	5,262.89	691.28	-	5,954.17	8,131.64	5,260.79
Plant and equipment	26,506.35	29,106.98	10.08	55,603.25	16,699.50	2,293.96	5.43	18,988.03	36,615.22	9,806.85
Furniture and fixtures	1,989.37	135.31	0.82	2,123.86	1,021.31	167.11	0.17	1,188.25	935.61	968.06
Vehicles	678.62	289.84	14.23	954.23	479.58	63.54	12.21	530.91	423.32	199.04
Office equipment	756.77	297.89	0.69	1,053.97	451.56	124.98	0.41	576.13	477.84	305.21
Others										
Data Processing Equipments	3,064.32	881.89	160.25	3,785.96	2,033.27	414.57	150.41	2,297.43	1,488.53	1,031.05
Docks and quays	4,466.45	1,02,191.94	-	1,06,658.39	2,740.19	396.94	-	3,137.13	1,03,521.26	1,726.26
Railway sidings	1.10	-	-	1.10	-	-	-	-	1.10	1.10
Electrical installation	2,315.28	480.35	-	2,795.63	1,377.20	180.47	-	1,557.67	1,237.96	938.08
Drainage and water supply	23.55	625.78	-	649.33	2.05	1.67	-	3.72	645.61	21.50
Vessels	56.42	39.00	-	95.42	12.22	4.02	-	16.24	79.18	44.20
Sub Total	**53,649.77**	**1,37,611.11**	**186.07**	**1,91,074.81**	**30,079.77**	**4,338.54**	**168.63**	**34,249.68**	**1,56,825.13**	**23,570.00**
b) Assets on leased premises										
Buildings & Roads	23,961.79	254.86	79.56	24,137.09	3,059.09	567.46	-	3,626.55	20,510.54	20,902.70
Plant and equipment	8,984.57	79,669.26	4.31	88,649.52	960.70	2,622.86	-	3,583.56	85,065.96	8,023.87
Docks and quays	22.05	140.26	-	162.31	9.55	8.98	-	18.53	143.78	12.50
Electrical installation	1,408.60	80.55	1.07	1,488.08	357.59	75.91	-	433.50	1,054.58	1,051.01
Slip way	1,117.99	-	-	1,117.99	850.74	14.20	-	864.94	253.05	267.25
Sub Total	**35,495.00**	**80,144.93**	**84.94**	**1,15,554.99**	**5,237.67**	**3,289.41**	**-**	**8,527.08**	**1,07,027.91**	**30,257.33**
Total (a)+(b)	**89,144.77**	**2,17,756.04**	**271.01**	**3,06,629.80**	**35,317.44**	**7,627.95**	**168.63**	**42,776.76**	**2,63,853.04**	**53,827.33**
c) Right Of Use Assets										
Right of Use - Land	42,725.73	173.81	-	42,899.54	7,173.41	1,503.01	-	8,676.42	34,223.12	35,552.32
Right of Use - Buildings	175.48	11.11	-	186.59	136.78	22.12	-	158.90	27.69	38.70
Right to use - land and ship repair facility	7,000.00	-	-	7,000.00	2,004.33	210.34	-	2,214.67	4,785.33	4,995.67
Leased Land at Nazirgunge & salkia -Right to use	575.00	-	-	575.00	43.92	10.17	-	54.09	520.91	531.08
Right to use - land (Malpe)										
Sub Total	**50,476.21**	**184.92**	**-**	**50,661.13**	**9,358.44**	**1,745.64**	**-**	**11,104.08**	**39,557.05**	**41,117.77**
Total(a+b+c)	**1,39,620.98**	**2,17,940.96**	**271.01**	**3,57,290.93**	**44,675.88**	**9,373.59**	**168.63**	**53,880.84**	**3,03,410.09**	**94,945.10**

a) Freehold Land includes the value of (a) land allotted on lease basis to (i) Bharatiya Vidya Bhavan (0.69045 hectare) (ii) M/s Indian Oil Corporation Ltd (0.620 hectare) for laying pipeline (iii) land leased to M/s Kochin Air Products (0.30 hectare) and (b) land leased to Kerala State Electricity Board (0.47 hectare).

b) Value of land includes value of buildings acquired along with the land for which depreciation has not been provided as the value is not separately available and most of these buildings are likely to be demolished for putting up facilities for the factory.

c) Freehold land includes landed properties of the Group admeasuring 197.12 ares (487.00 cents) made up of 34.30 ares in Sy No. 713/11, 23.57 ares in Sy No. 713/12, 59.12 ares in Sy No. 713/13, 50.18 ares in Sy No. 714/06, 10.12 ares in Sy No. 714/2, 8.90 ares in Sy No. 714/4 and 10.93 ares in Sy No. 714/5 of land all are lying contiguously in Elamkulam village, Kanayannur taluk, Ernakulam Dist, Kerala provided as security for issue of Tax free bonds.

d) The Group has bearer plants in its premises and other sites which generates nominal income .Cost of such bearer plants cannot be reliably measured and hence these plants were not capitalized.

e) Title deeds of all immovable properties (ie freehold land) are held in the name of the Group.

f) In the case of following properties where the Group is the lessee, lease agreements are duly executed in favour of the lessee with the following exceptions:

1. Group has taken 8.12 HA of land (re-measured as 8.1164HA) and 15 HA of water body on lease from Cochin Port Authority (CoPA) on 12 April 2013 (1st phase) .CSL has also taken 8.134 HA of additional land area on lease from CoPA on 16 Nov 2017 (2nd phase).Two lease agreements (ie 1st phase allotment of land/waterbody and 2nd phase allotment of land) were entered between CSL & CoPA and both lease deeds have not been registered.

2. The group has executed concessionaire agreements with the Mumbai Port Authority (MBPA) and Syama Prasad Mukherjee Port Authority (SMPA) to Upgrade,Operate and Manage Ship Repair facility at Hughes Dry Dock and specified berths at Indira Dock of MBPA and two dry docks and Berth No.6 of Netaji Subash Dock of SMPA respectively.

The project site at MBPA is taken on license for 29 years. The license agreement is yet to be registered, as a request submitted for waiver of the stamp duty to the Government of Maharashtra is under consideration.

The project site at Syama Prasad Mukherjee Port Authority is taken on license for 30 years. As license agreement does not attract stamp duty and registration charges in West Bengal ,Concession Agreement with SMPA has not been registered.

g) The Right to use of land and ship repair facility represents the upfront fee paid to Cochin Port Trust towards setting up of International Ship Repair Facility (ISRF) project, to be depreciated over the period of lease which was further extended based on the date of obtaining of Environmental Clearance. As all environmental clearances for ISRF are obtained as on January 09, 2018, the lease period of 30 years effectively starts from this date.

During the Financial year 2025-26, the Company executed an addendum to the contract agreement with Cochin Port Trust, extending the lease period for further 30 years ie. Till 08.01.2078. Consequently, Right of use of land and ship repair facility has been remeasured and depreciated over a revised period of 60 years. The lease liability also has been remeasured to reflect the revised payments over the extended 60-year period.

h) In the case of following properties where the Company is the lessee, lease agreements are yet to be executed:

(1) Staff quarters at Kolkata held in the name of Syama Prasad Mookerjee Port Authority has been allotted to CSL. Lease agreement is yet to be executed

(2) Bed of Backwaters- Reclaimed Land (Land/water area) of 1.914' ha has been allotted to CSL by CoPA

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(3) Parking Space to Subcontractors (3.80 Ares) is taken on lease from Mr.K.Pradeep Kumar of which the prevailing lease contract period has been expired on 14.12.2025. Revised lease agreement is yet to be executed

(4) Additional Berth No. 9 at Indira Dock is alloted to CSL by MBPA (Land Area : 1501.20 Sq. Mtrs. And Water Front Area : 3753 Sq. Mtrs.) for which lease agreement is yet to be executed. The tenure of this lease is coterminus with the existing concession period expiring on 17.01.2048.

i) Registration is pending in case of following leasehold properties:

Description of Property	Area	Held in the name of
Transit House at New Delhi	2,200 sq.ft	Mrs.Anita Singhal
CVO Guest House at Kochi	3,721 sq.ft	Mr.Sree Kumar Nair and Ms. Sunanda Pillai Viswanath
Covered Storage Space at Kakkanad	10,887 sq.ft	Central Warehousing Corporation
	14,854 sq.ft	
	9526 sq. ft.	
	9526 sq. ft.	

j) As at 31 March 2026, there were no plant and equipment (previous year carrying value ₹ 403.40 Lakhs) which were temporarily idle.

k) The Gross carrying value of assets of ₹ 20081.26 Lakhs (previous year ₹ 28298.24 Lakhs) have been fully depreciated, but still are in use.

l) There were no additions on Property, Plant & Equipments on account of Research & development (previous year ₹ 2.83 Lakhs relating to welding technology).

m) Current year deductions include scrapping / retitement of assets valued at ₹ 146.17 Lakhs (Previous year ₹102.38 Lakhs) which has a Deemed Cost ₹ 1338.05 Lakhs (Previous year ₹271.01 Lakhs). This includes old assets having WDV of ₹107.42 Lakhs retired by the Company on the basis of recommendations of the Committee constituted by the Management to examine and verify the untraceable assets as part of the implementation of the RFID-based asset tagging system.

n) During the financial year, the Company has further capitalised an amount of ₹ 18,060.36 Lakhs (Previous Year: ₹ 79,344.26 Lakhs) and ₹ 4,462.18 Lakhs (Previous Year: ₹ 1,31,938.92 Lakhs) for the projects 'International Ship Repair Facility' and 'New Dry Dock' respectively.

Depreciation on these assets has been calculated considering the useful lives as determined by the management based on technical estimates made and on double shift basis. The useful lives adopted as per technical estimates are detailed in the table below;

International Ship Repair Facility **Useful life in years**

Particulars of Assets	Asset Category as per Schedule II	Useful life as per Companies Act	Useful life estimated by the management
A. Ship Lift Components			
Winches ,Control Tower,Ship inhaul/Mooring,Special Tool Kit	Plant & Machinery	10	28
Platform steel work	Plant & Machinery	10	55
Wheel fender	Plant & Machinery	10	17
B. Ship Transfer Components			
Trestles,Bogies,Spare Parts,Special Tool kit	Plant & Machinery	10	28

Particulars of Assets	Asset Category as per Schedule II	Useful life as per Companies Act	Useful life estimated by the management
C. Other assets			
Flat top tower cranes	Plant & Machinery	10	40
Ship lift & Transfer related facility			
Jetty 1,Jetty 2,Connection Jetty,Workstation North,Workstation South	Plant & Machinery	10	28

New Dry Dock **Useful life in years**

Particulars of Assets	Asset Category as per Schedule II	Useful life as per Companies Act	Useful life estimated by the management
Dry Dock Civil	Plant & Machinery	10	60
Pump House	Building	60	60
Caisson Gate	Plant & Machinery	10	60
600T Rail Mounted Gantry Crane	Plant & Machinery	10	40

o) UCSL and Karnataka Maritime Board have signed the Lease Agreement for the Leasehold land at Malpe & Hangarkatta on 23.12.2022, for a period of 30 years w.e.f 04.3.2020,i.e;the date of NCLT order approving the take over of M/s Udupi Cochin Shipyard Limited (Erstwhile M/s TEBMA Shipyards Ltd) by M/s Cochin Shipyard Ltd. Towards this, Group made a total payment of ₹ 69.56 Lakhs to Karnataka Maritime board(KMB) during FY 2025-26 which consists of payment towards security deposit, lease dues, penalty and interests to the KMB against the dues.

p) Team 2 (12T BollardPull Tug) given on operating lease during the previous financial year has been included in "Plant & Equipments”.

q) The value of Land at Kulpi (Kolkata- 230 cents) have been recognized in accounts at ₹ 28.09 Lakhs.

r) Some parcel of lands belonging to UCSL continue to be in the name of erstwhile "Tebma Shipyards Ltd" and/or "Tebma Engineering Pvt Ltd" in the land records. Group has already initiated action to change the title deed in the name of "Udupi Cochin Shipyard Limited”.

s) Assets which cannot be detached and transported for alternate use (“Non Removable Assets”) constructed on leasehold land at Malpe yard are amortized/ depreciated over the lower of the period of lease and useful life of those assets.

t) During the year, borrowing cost of ₹Nil (PY ₹ NIL) capitalised in the books of UCSL.

u) No charge has been created on Property,Plant & Equipments of UCSL.

v) Disclosures with regard to Measurement, Depreciation Method, Useful life etc. of Property, Plant and Equipment are given vide para 3.1 of Material Accounting Policies, Key Accounting Estimates and Judgements.During the year, no portion of the Property Plant and Equipment has been revalued portion.However, the management is of the opinion that the carrying value of the asset as aforesaid does not exceed its recoverable value. Further, there is no indication, whether internal or external, that result in impairment loss. Accordingly, the question of impairment of tangible fixed assets i.e. Property, Plant and Equipment does not arise.

w) The title deeds of Building ,Temporary Structure, Office Building, Factory Building and Roads belonging to M/s Hooghly Cochin Shipyard Ltd are not held in the name of Company, as the land is in the name of Government of India which were taken on lease for a period of 59 years and the Company had constructed immovable properties on the same.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

x) In case of Hooghly-CSL,Twenty-six percent (26%) of initial Equity Share capital of the Company was issued to secure leasehold right of the land without receipt of any monetary consideration. Value of such 26% equity shares (₹ 572.00 Lakhs) along with related expenses totalling ₹ 575.00 Lakhs was capitalized as Right to Use asset and depreciated on a straight line basis over the period for which the right is acquired, commencing from the date on which the right becomes capable of being exercised.

Note 5 : Capital Work -In -Progress

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Plant and machinery, Buildings and Civil works	55,053.53	37,373.06
Add: Expenditure during construction	1,830.93	1,924.08
Capital yard items	1,726.90	12,201.83
Goods in Transit	-	0.39
Total	**58,611.36**	**51,499.36**

Expenditure during construction

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	1,924.08	12,141.82
Add:Expenses during the year		
Salaries	-	205.27
Depreciation under Ind AS116	-	169.49
Finance cost under Ind AS116	-	544.61
Transferred to PPE	(93.15)	(11,137.11)
Exceptional items	-	-
Closing Balance	**1,830.93**	**1,924.08**

Capital Work -In -Progress (CWIP) includes capital expenditure on Research & development relating to Autonomous Surface Vessel (ASV) amounting to ₹ 757.75 Lakhs (Previous year -Nil).

The Holding Company has been engaged in a pilot Research and Development project under the R&D initiative of the Ministry of Ports, Shipping and Waterways (MoPSW) - ASV- approved for partial funding of ₹2000 Lakhs (Project under execution; vessel under construction).

The Company had recognized the net cost incurred on this project (after reducing the grant) as Research & Development (R&D) expenditure in the Statement of Profit and Loss for the year ended March 31, 2025. At that stage, the ownership position was not yet clarified. The MoPSW has now formally clarified that the ownership of this R&D asset rests with the Company.

The ASV is still under construction and has been reclassified as ""Capital Work in Progress"" until completion.

The Company will continue to monitor developments and review the valuation and classification of these assets in subsequent periods as necessary.

CWIP Ageing schedule as on March 31, 2026

(₹ in lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	38,582.25	17,052.09	1,692.32	1,284.70	58,611.36
Projects temporarily suspended	-	-	-	-	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

CWIP Ageing schedule as on March 31, 2025

(₹ in lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47,784.52	2,920.59	619.47	174.78	51,499.36
Projects temporarily suspended	-	-	-	-	-

Overdue CWIP as on March 31, 2026

(₹ in lakhs)

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
New Drydock For Large Ships	36,231.01	-	-	-
CKSRU Caisson Gate	1,908.96	-	-	-
MDP Upgradation - CKSRU	35.00	-	-	-
Integrated Security System		138.59	-	-
Electrical System At CKSRU	8.92	-	-	-
500 KWP Grid Connected Solar Power Plant At Various	144.76	-	-	-
10T LLTT Crane	9.46	-	-	-
CCTV Work At SBOC & MCS	1.70	-	-	-
Asset under Construction - Docks & Quay	63.24	-	-	-

Overdue CWIP as on March 31, 2025

(₹ in lakhs)

Capital Work In Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
New Drydock For Large Ships	28,150.79	-	-	-
ISRF	17,772.57	-	-	-
CKSRU Caisson Gate	1,908.96	-	-	-
CMSRU Tower Crane	563.77	-	-	-
Aluminium Roofing Hull Shop	-	393.22	-	-
CNC Plasma Cum Oxy Fuel Plate Cutting Machine	315.48	-	-	-
Tower Crane At CKSRU	264.58	-	-	-
Integrated Security System	204.68	-	-	-
Conference Hall Renovation Of Business Development	117.75	-	-	-
Fire Main System	107.59	-	-	-
EWSB With Socket Outlet 4 Hc Bbt Hc Bay	102.01	-	-	-
Construction Of Skid For Block Fabrication At SSD	71.27	-	-	-
300KWP Solar Power Plant Near General Store	68.66	-	-	-
Replacement Of 5/Hc Bbt At Hc Bay Of Hull	46.01	-	-	-
Load Cell 150 T Crane	38.02	-	-	-
DSL System For Eot Crane	36.20	-	-	-
Switch Boards At Engine Shop And Machine Shop	25.56	-	-	-
Fixing Of Gratings In BD Pump Pit	20.47	-	-	-
DSL System For 50T Crane	20.11	-	-	-
Remodelling Gates,Visitors Centre,Golden Plaza	6.90	-	-	-
Mezzanine Floor In Hdd Building at CMSRU	2.50	-	-	-
Designing Of Movable Shed	2.31	-	-	-
HCSL Docks & Quay	63.24	-	-	-
HCSL Shed Construction	0.69	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 6 : Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	April 01, 2025	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2026	April 01, 2025	For the year	Adjustment/ (withdrawal)	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Internally generated weld procedure	27.67	-	-	27.67	27.67	-	-	27.67	-	-
Computer software	5,275.57	351.33	-	5,626.90	3,983.30	918.99	-	4,902.29	724.61	1,292.27
	5,303.24	**351.33**	**-**	**5,654.57**	**4,010.97**	**918.99**	**-**	**4,929.96**	**724.61**	**1,292.27**

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	April 01, 2024	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2025	April 01, 2024	For the year	Adjustment/ (withdrawal)	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Internally generated weld procedure	27.67	-	-	27.67	27.67	-	-	27.67	-	-
Computer software	4,680.85	594.72	-	5,275.57	2,869.76	1,113.54	-	3,983.30	1,292.27	1,811.09
	4,708.52	**594.72**	**-**	**5,303.24**	**2,897.43**	**1,113.54**	**-**	**4,010.97**	**1,292.27**	**1,811.09**

Note 7 : Intangible assets under development

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible assets under development	68.06	68.06
Total	**68.06**	**68.06**

Intangible assets under development Ageing schedule as on March 31, 2026

(₹ in lakhs)

Intangible assets under development	Amount in IAUD for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	7.43	-	60.63
Projects temporarily suspended	-	-	-	-

Intangible assets under development Ageing schedule as on March 31, 2025

(₹ in lakhs)

Intangible assets under development	Amount in IAUD for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	7.43	-	32.18	28.45
Projects temporarily suspended	-	-	-	-

Overdue Intangible assets under development as on March 31, 2026

(₹ in lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Repository - CANSRU	68.06	0.00	0.00	0.00

Overdue Intangible assets under development as on March 31, 2025

(₹ in lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Repository - CANSRU	68.06	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 8 : Investments-Non Current

(₹ in lakhs)

Particulars	Face value per unit	Number of units as on March 31, 2026	Number of units as on March 31, 2025	As at March 31, 2026	As at March 31, 2025
Unquoted (Fully Paid up)					
Investment in equity instruments					
a) At Fair Value Through Other Comprehensive Income					
Cochin Shipyard Employees Consumer Co-operative Society Limited 2175 'B Class'	100	2,175	2,175	2.18	2.18
Kerala Enviro Infrastructure Limited	10	70,000	70,000	20.31	17.08
Cochin Waste 2 Energy Private Limited	10	1,00,000	1,00,000	-	-
Investment in Debt Instruments					
a) At AmortisedCost					
7.72% Non Convertible Debentures (NCD) of M/s Dredging Corporation of India Ltd. (DCIL) (Redeemable at par at the end of 10 years)	100000	11,148		11,277.69	-
Total				**11,300.18**	**19.26**
Aggregate value of unquoted investment				11,300.18	19.26
Aggregate value of quoted investments and market value thereof				-	-
Aggreagate amount of impairment in value of investments				10.00	10.00

a) Considering the indicators of the value of an investment such as investee's assets, results etc. a decline, other than temporary, in the value of investment in Cochin Waste 2 Energy (P) Ltd is noticed and accordingly fair value is considered as Nil .Similarly, increase in value of investment in Kerala Enviro Infrastructure Limited is noticed and accordingly investment is fair valued.

b) The Group's Investment in Cochin Shipyard Employees Consumer Co-operative Society Limited are non-participative shares and normally does not carry any voting rights. Hence, the group has carried this investment at its transaction value considering to be its fair value.

c) In February 2026, the Company invested in 11,148 Secured, Unrated, Unlisted, Redeemable, Non-Convertible Debentures (NCD) of Dredging Corporation of India Limited (DCIL) having a face value of ₹ 1,00,000 each, aggregating to ₹ 11,148.00 Lakhs. Mode of placement of the NCDs were private placement. The NCDs carry a coupon rate of 7.72% per annum and are redeemable at par at the end of 10 years from the date of allotment, with an option available to DCIL to redeem the NCDs earlier at the end of 5 years. Subscription to NCD was part of the agreement to enable DCI to fund the 12,000 Cu.M Trailer Suction Hopper Dredger (TSHD) "DR-Godavari", under the Shipbuilding Contract entered into between DCIL and CSL.

The Debentures are secured by pari-passu hypothecation and charge over all contractual rights and benefits arising out of the said contract during the pre-delivery period. Upon completion of construction and delivery of the Dredger, the security shall be on the dredger so delivered.

Note 9: Loans - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good:		
(a) Other Loans		
Loan to employees		
Related parties	3.71	-
Others	621.30	551.52
Total	**625.01**	**551.52**

No signficant increase in credit risk or credit impairment

Note 10: Other Financial Assets - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	151.31	129.11
Accrued Lease Rental Asset	38.70	37.92
Total	**190.01**	**167.03**

Security deposits includes rent deposits paid towards lease land at amortised cost under Ind AS 109 read with Ind AS 116

Note 11: Income Tax Assets / (Liability) (net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non current tax assets		
Income Tax Assets net of provisions	2,946.83	2,946.83
Current tax assets / (liabilities)		
Advance income tax net of provisions	10,346.67	(2,460.25)

UCSL has not accounted the TDS amount uploaded in Form 26AS on those deposits which are not taken as fixed deposits in the books of UCSL due to lien mark bank guarantee issued by Committee of Creditors (Coc)

Income Tax recognised in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax:		
Current income tax charge	8,851.00	29,550.79
Adjustment in respect of prior years	(1,948.53)	875.11
Total (A)	**6,902.47**	**30,425.90**
Deferred tax:		
In respect of current year	21,327.00	(641.90)
Total (B)	**21,327.00**	**(641.90)**
Income tax expense recognised in the Statement of Profit and Loss (A+B)	**28,229.47**	**29,784.00**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Income tax recognised in the Other Comprehensive Income	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax:		
Arising on income and expenses recognised in Other comprehensive Income	-	-
Effective portion of gain/loss on cash flow hedges	(5,548.57)	-
Remeasurement of defined benefit obligations	(89.00)	-
Total	**(5,637.57)**	**-**
Income tax recognised in the Other comprehensive Income	**(5,637.57)**	**-**

The income tax expense for the year can be reconciled to the accounting profit as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	**99,903.42**	**1,12,517.05**
Income tax expense calculated at respective applicable rates	25,622.94	28,752.75
Effect of expenses that are not deductible in determining taxable profit	4,231.27	8,427.28
Effect of expenses that are allowable in determining taxable profit	(14,104.92)	(7,758.64)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	450.27	393.76
Effect of income that is exempt from taxation	(3,660.08)	-
Adjustments with respect to unabsorbed business loss / Depreciation	-	(296.13)
Others	(3,688.48)	31.77
	8,851.00	**29,550.79**
Adjustments recognised in the current year in relation to the current tax of prior years	(1,948.53)	875.11
Adjustments for changes in estimates of deferred tax assets	21,327.00	(641.90)
Income tax expense recognised in the Statement of Profit and Loss	**28,229.47**	**29,784.00**

Note 12: Deferred Tax Assets/(Liabilities) (net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities	(14,430.29)	(7,656.47)
Deferred tax assets	9,770.64	18,621.27
Total	**(4,659.65)**	**10,964.80**
Deferred tax liabilities of Hooghly-CSL	(679.73)	(614.76)
Total	**(679.73)**	**(614.76)**
Grand Total	**(5,339.38)**	**10,350.04**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Deferred tax Assets/(Liabilities) in relation to 2025-26

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Recognised in OCI	Closing Balance
Provisions	12,152.87	(4,911.08)	-	-	7,241.79
Property, plant and equipment	(8,030.36)	(7,234.11)	-	-	(15,264.47)
Intangible assets	(29.95)	106.28	-	-	76.33
Leased Assets	2,978.01	832.78	-	-	3,810.79
Leased Liabilities	(910.63)	(130.87)	-	-	(1,041.50)
Carry forward losses	4,102.57	(3,660.07)	-	-	442.50
Others	87.53	(6,329.93)	-	5,637.58	(604.82)
Total	**10,350.04**	**(21,327.00)**	**-**	**5,637.58**	**(5,339.38)**

Deferred Tax Assets/(Liabilities) in relation to 2024-25

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in OCI	Closing Balance
Provisions	6,539.69	5,613.18	-	12,152.87
Property, plant and equipment	(2,500.61)	(5,529.75)	-	(8,030.36)
Intangible assets	(258.36)	228.41	-	(29.95)
Leased Assets	2,449.52	528.49	-	2,978.01
Leased Liabilities	(842.65)	(67.98)	-	(910.63)
Carry forward losses	4,652.17	(549.60)	-	4,102.57
Others	(134.93)	419.15	(196.69)	87.53
Total	**9,904.83**	**641.90**	**(196.69)**	**10,350.04**

Note 13: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Capital advances	423.90	520.51
Advances other than capital advances:		
Security deposits	330.31	289.04
Advance lease rentals	41.40	41.05
Total	**795.61**	**850.60**

The Company has given capital advances amounting to ₹ 132.03 Lakhs towards procurement of materials, equipments, machineries, services etc to the vendors/service providers which are fully covered by bank guarantees of an equal amount issued by the commercial banks and the guarantees are enforceable.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 14 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials and components	2,08,445.61	1,66,097.28
Work in Progress	240.00	961.49
Goods-in transit	17,293.94	19,413.04
	2,25,979.55	**1,86,471.81**
Stores & Spares	1,477.79	1,408.55
Goods-in transit	-	630.36
	1,477.79	**2,038.91**
Loose tools	1,378.95	1,097.81
Total*	**2,28,836.29**	**1,89,608.53**

Stores & Spares represents spares of general nature and are not related to a particular asset.

* Includes Materials Pending Inspection as on 31 March 2026 comes to ₹ 11843.24 Lakhs (previous year ₹ 14426.93 Lakhs).

Inventories include goods amounting to ₹ 7695.04 Lakhs held at M/s BEL premises as on March 31, 2026 (Previous Year ₹ Nil). The Company has obtained legal ownership and control over these goods, with insurance and security maintained by the bailee. The goods are classified under Raw Materials and components in the ordinary course of business.

Inventories include Loose Tools amounting to ₹ 1378.95 Lakhs (Previous Year ₹ 1097.81 Lakhs) reclassified by the Company during the Financial Year 2025-26, in compliance with the Schedule III of Companies Act, 2013.

Entire stock of inventories of UCSL valuing ₹ 10456.28 Lakhs (previous year ₹11654.43 Lakhs) are hypothecated towards availing cash credit facility from the bank.

Note 15 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Considered good:		
Trade Receivables considered good - Unsecured	42,321.88	22,484.91
Trade Receivables which have significant increase in Credit Risk	536.92	2,569.56
Less: Allowance for Expected credit loss	(536.92)	(2,569.56)
Trade Receivables - Credit impaired	-	-
Less: Allowance for Expected credit loss	-	-
Total	**42,321.88**	**22,484.91**

Trade receivables are non-interest bearing and receivable in normal operating cycle.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Trade Receivables ageing schedule as on March 31, 2026

(₹ in lakhs)

Particulars	Unbilled trade receivables	Billed Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	33,205.46	8,798.34	33.90	284.15	0.03	42,321.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	1.31	38.76	238.33	278.40
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	258.52	258.52
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	**-**	**33,205.46**	**8,798.34**	**35.21**	**322.91**	**496.88**	**42,858.80**
Less: Expected Credit Loss provision as on March 31, 2026								536.92
Trade receivable as on March 31, 2026								**42,321.88**

Trade Receivables ageing schedule as on March 31, 2025

(₹ in lakhs)

Particulars	Unbilled trade receivables	Billed Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	18,682.14	1,725.78	1,890.85	186.11	0.03	22,484.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	71.71	31.71	2,331.60	2,435.02
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	134.54	134.54
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	**-**	**18,682.14**	**1,725.78**	**1,962.56**	**217.82**	**2,466.17**	**25,054.47**
Less: Expected Credit Loss provision as on March 31, 2025								2,569.56
Trade receivable as on March 31, 2025								**22,484.91**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Movement in the expected credit loss allowance

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	**2,569.56**	**12,145.76**
Add: Additions during the year	297.02	634.86
Less: Reversals/withdrawals during the year	2,329.66	10,211.06
Closing Balance	**536.92**	**2,569.56**

Note 16 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand		
Balance with Banks		
In current account	835.23	1,617.12
In current account out of IPO Proceeds		-
Term deposits with original maturity of less than three months	9,703.47	30,050.00
Term deposits with original maturity of less than three months from IPO Proceeds		-
Term deposits with original maturity of less than three months earmarked for objects of IPO		-
Total	**10,538.70**	**31,667.12**

Pursuant to resolution plan submitted by the M/s Cochin Shipyard Limited for takeover of Udupi Cochin Shipyard Limited (Erstwhile Tebma shipyards), the bid amounts have been paid to the banks under the approved resolution plan and all security charges, encumbrances, created or suffered to exist in relation to credit facilities extended to erstwhile M/s Tebma Shipyards Limited, stands released, discharged in terms of the resolution plan.Consequently the Bank guarantees stands discharged and margin money shall be released to M/s Udupi Cochin Shipyard Limited. However, the margin monies (aggregating approx. ₹351.12 Lakhs) have not yet been actually released by the banks to the Company as they hold the same as lien for the Bank Guarantees issued by them earlier which has been disputed by the UCSL. Therefore, on a prudent basis, the Company will recognize the Fixed deposits, Interest income and TDS portion of interest income only in the period in which the banks actually release the margin money deposits. Accordingly the aforesaid amount is not included in the above.

In HCSL, current A/C balance includes of ₹47.27 Lakhs as on March 31, 2026 (₹2.82 Lakhs as on March 31, 2025) and In Term deposit with less than 3 months maturity includes ₹7415 Lakhs as on March 31, 2026 (₹6798 Lakhs as on March 31, 2025) earmarked to PANDU Project, received from IWAI and kept in Separate A/C for expenditure against this project.

Note 17 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lien Marked Term deposits with original maturity of less than three months*	2,037.27	2,030.72
Term Deposits with banks with original maturity more than 3 months and less than 12 months	3,031.00	-
Balance held on behalf of Indian Navy **	2,21,099.66	2,68,583.42
Balance held on behalf of UTLA***	47.01	77.04
Balance held on behalf of A&N***	3,755.58	155.24
Current account on behalf of IWAI****	-	2.82
Term deposit on behalf of IWAI****	-	6,798.00

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Term Deposits with banks with original maturity more than 3 months and less than 12 months earmarked for objects of IPO	-	-
Term Deposits with banks with original maturity more than 12 months (Maturing with 12 months from the date of balance sheet)	-	1,755.00
Term Deposits with banks with original maturity more than 3 months and less than 12 months	-	0.99
Earmarked balances (Unpaid Dividend account)	84.87	191.87
Total	**2,30,055.39**	**2,79,595.10**

*Lien Marked Term deposits represents deposits in which lien is marked in favour of State Bank of India & IDBI for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company & ₹ 120.69 Lakhs (previous year ₹ 113.57 Lakhs) lien marked in favour of The Registrar of High Court of Kerala.

**Funds parked by Indian Navy for the construction of Indigenous Aircraft Carrier and Next generation Missile Vessels are held in separate accounts. It includes Sweep-In Term-deposits of ₹ 2,20,582.94 Lakhs created from the respective accounts.

***Sweep-In Term-deposits of ₹ 20 Lakhs and ₹ 3738.37 Lakhs are included in the funds parked by UTLA and A&N account respectively.

****Earmarked to PANDU Project, received from IWAI and kept in Separate A/C.

Note 18 : Loans - Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Employee advances		
Related parties	1.27	0.18
Others	162.72	130.92
Total	**163.99**	**131.10**

No signficant increase in credit risk or credit impairment

Note 19 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued on Bank Deposits	4,202.15	6,482.42
Interest accrued on employee advances		
Related parties	1.76	
Others	198.84	162.41
Ship Building Financial Assistance	6,190.55	17,340.05
Foreign Exchange Derivatives Assets	23.57	3,880.05
Total	**10,616.87**	**27,864.93**

During the year the Company has regrouped the Ship Building Financial Assistance for delivered vessels under 'Other Financial Assets - Current' which was hitherto grouped under 'Trade Receivables-Current' amounting to ₹1605.57 Lakhs (Previous Year ₹ 820.42 Lakhs) for more appropriate presentation.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Note 20 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured advances		
Advances other than capital advances		
Advances to related party		
Other advances	2,03,979.87	1,81,470.50
Advances considered doubtful	0.07	0.07
	2,03,979.94	**1,81,470.57**
Less: Provision for doubtful advances	0.07	0.07
	2,03,979.87	**1,81,470.50**
Others		
Contract Assets for other works	1,35,933.14	92,482.86
Obsolete stock	1,541.49	316.79
Less: Provision for obsolesence*	(1,541.49)	(316.79)
Balance with Revenue authorities	1,900.33	1,721.31
Miscellaneous deposits	34.66	77.34
Prepaid expenditure	1,486.03	1,814.40
Other receivables**	-	31.95
Input Tax Credit on GST	1,52,386.98	1,34,386.35
Medical Insurance Premium	2,907.72	2,635.97
Ship Building Financial Assistance	27,651.56	-
Miscellaneous current assets ***	1,530.31	2,180.54
Total	**5,27,810.60**	**4,16,801.22**

*The Company assesses the movement of inventory at each Balance Sheet date.Since inventories are contract /project specific & each contract/project with different customers is distinct and having different characteristics, items are not ordinarily inter-changeable and unique in nature, therefore arriving at their net realizable value is not practical. As a practical expedient, the Company uses a graded provision matrix based on aging to determine the provision for slow-moving and obsolete inventory, which is then recognized in the Statement of Profit and Loss.

**Other receivables represents the amount to be recovered from Committee of Creditors (CoC) for the costs incurred for maintenance of excluded ships. Said sum consisted of funds utilized from the CIRP account kept by the resolution professional as well as funds used from the company's account. The company has received the balance amount from CoC during the Financial Year 2025-26

*** The Corporate Social responsibility (CSR) expenditure is charged to the Statement of Profit & Loss in the period in which it is incurred, except to the extent the Group decides to carry forward any amount in excess of the minimum required CSR expenditure for adjustment in future years in terms of Sec 135(5) of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and such excess amount is classified under Miscellaneous Current Assets.

In HCSL,Fund received from Inland Waterways Authority of India (IWAI) for Pandu Project-Ship Repair Facility Unit at Pandu-Guwahati, on Deposit basis has been adjusted from the Other Advance with the amount incurred till March 31, 2026 of ₹13412.62 Lakhs and till March 31, 2025 of ₹10559.94 Lakhs.

The Company has given advances amounting to ₹188257.57 Lakhs towards procurement of materials, equipments, machineries, services etc to the vendors/service providers which are fully covered by bank guarantees of an equal amount issued by the commercial banks and the guarantees are enforceable.

During the year the Company has regrouped the Ship Building Financial Assistance for vessels under construction under 'Other Current Assets' which was hitherto grouped under 'Other Financial Assets - Non Current' amounting to ₹ 27,651.56 Lakhs (Previous Year Nil) for better presentation.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Note 21 : Assets Held for Sale

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Asset held for Sale	1,469.50	-
Total	**1,469.50**	**-**

The Holding Company has been engaged in a pilot Research and Development project under the R&D initiative of the Ministry of Ports, Shipping and Waterways (MoPSW) - Hydrogen Fuel Cell Technology for Marine Application- approved for partial funding of ₹1312.50 Lakhs (Project fully executed and vessel completed).

The Company had recognized the net cost incurred on this project (after reducing the grant) as Research & Development (R&D) expenditure in the Statement of Profit and Loss for the year ended March 31, 2025. At that stage, the project was under development and the ownership position was not yet clarified. The MoPSW has now formally clarified that the ownership of this R&D asset rests with the Company.

The Hydrogen Fuel Cell Vessel is being actively marketed for sale with IWAI (which also falls under the administrative purview of MoPSW), and the Company has transferred possession of the vessel to them. The consideration and the contract are currently being discussed with IWAI under the guidance of the MoPSW. Pending the finalization of these discussions, the asset has been classified as "Asset Held for Sale". The Company will continue to monitor developments and review the valuation and classification of these assets in subsequent periods as necessary.

Note 22 : Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity shares of ₹ 5/- each	500000000	25,000.00	500000000	25,000.00
Issued, Subscribed and Fully paid up				
Equity shares of ₹ 5/- each fully paid up	263080780	13,154.04	263080780	13,154.04
Total	**263080780**	**13,154.04**	**263080780**	**13,154.04**

22.1 Reconciliation of number of shares and amounts outstanding

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity Shares outstanding at the beginning of the year	**263080780**	**13,154.04**	**263080780**	**13,154.04**
Add : shares issued during the year	-	-	-	-
Less: Shares extinguished on splitting of shares (refer note below)	-	-	-	-
Add : Equity shares of ₹5/- each issued during the year on splitting (Refer note below)	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**263080780**	**13,154.04**	**263080780**	**13,154.04**

Terms & Rights attached to Equity shares: The Company has only one class of equity shares having a face value of ₹5 per share which is fully paid up. Equity shareholders are eligible for one vote per share held, and are entitled to dividends as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend proposed by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Sub-division & Other information:

On 10 Jan 2024, the Company sub-divided every 1 (one) Equity Share of the nominal/face value of ₹10/- each into 2 (Two) Equity Share of the nominal/face value of ₹5/- each.

In October 2024, the Government of India sold 1,30,15,689 (4.95%) equity shares out of its 19,16,86,928 (72.86%) equity shares held in Cochin Shipyard Limited (CSL) by way of Offer for Sale (OFS) through the Stock Exchange mechanism in accordance with the applicable SEBI guidelines. Consequently, the Government of India's shareholding in Company stands at 17,86,71,239 (67.91%) equity shares as on March 31, 2026.

22.2 Details of shareholders holding more than 5% shares in the Company

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	178671239	67.91	178671239	67.91

22.3 Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
The President of India	178671239	67.91	Nil

Note 23 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital Reserves	7,052.34	7,024.25
Capital Redemption Reserve	12,353.76	12,353.76
Securities Premium	93,151.87	93,151.89
Debenture Redemption Reserve	-	-
General Reserve	6,322.75	6,322.75
Cash flow Hedge Reserve	(16,391.21)	45.63
Retained Earnings	4,71,632.17	4,25,873.71
Total	**5,74,121.68**	**5,44,771.99**

Movement of each item in Other Equity is detailed in Statement of Changes in Equity.

Capital Reserve: Capital reserve includes ₹263.56 Lakhs being restoration charges received from Ms Indian Oil Corporation Ltd for laying pipe line through the Group's land. It also includes gain on acquisition of subsidiary M/s Udupi Cochin Shipyard Ltd (Formerly Tebma Shipyards Ltd) ₹6696.04 Lakhs and acquisition of Non controlling interest of subsidiary M/s Hooghly Cochin Shipyard Ltd ₹64.65 Lakhs.

Capital Redemption Reserve: Capital Redemption Reserve of ₹ 12353.76 Lakhs includes ₹ 11914.20 Lakhs being reserves created on redemption of preference shares and ₹ 439.56 Lakhs being a sum equal to the nominal value of the shares bought back, which will be utilised for the purpose defined under the Companies Act 2013.

Securities Premium: Premium on tax free bonds is amortised on straight line basis over the period of bonds. The Company had completed the Initial Public Offer (IPO) during 2017-18 and had allotted 22656000 equity shares of ₹10 each at premium (₹93929.76 Lakhs). Expenses incurred net of deferred tax adjustment towards such allotment of shares amounting ₹777.93 Lakhs has been debited in Securities Premium in accordance with the requirements of Indian Accounting Standard (Ind AS) 32- Financial Instruments.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

General Reserve: General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc. The Group created a General reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits were required to be transferred to General reserve before declaring dividends. As per the Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory.

Cash flow Hedge Reserve: Cash flow hedge reserve represents the effective portion of change in the fair value of designated hedging instruments recognised in the Other Comprehensive Income. (Refer Note No. 48)

Interim dividend: During the year, the Company paid interim dividends of ₹4.00 per equity share of face value of ₹5 and ₹3.5 per equity share of face value of ₹ 5, as recommended at the board meetings held on November 12, 2025 and January 28, 2026 respectively.

Proposed dividend: The Board of Directors of the Company have recommended a final dividend of ₹ 1.50 per equity share of face value of ₹ 5 for the financial year ended March 31, 2026 at the Board meeting held on May 15, 2026. This is subject to approval/regularisation by the share holders in the Annual General meeting.

Note 24 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Tax Free Redeemable Non Convertible Bonds -Series 2013-14	2,302.20	2,302.20
Total	**2,302.20**	**2,302.20**

Tax Free Infrastructure Bond Series 2013-14

Tranche 2: 230 bonds of face value of ₹10 Lakhs totalling ₹ 2300 Lakhs with interest rate of 8.72% payable annually, redeemable at par, due for redemption on 28th March 2029.

These bonds are secured against the landed properties of the Group admeasuring 197.12 ares (487.00 cents) made up of 34.30 ares in Sy No. 713/11, 23.57 ares in Sy No. 713/12, 59.12 ares in Sy No. 713/13, 50.18 ares in Sy No. 714/06, 10.12 ares in Sy No. 714/2, 8.90 ares in Sy No. 714/4 and 10.93 ares in Sy No. 714/5 of land all are lying contiguously in Elamkulam village, Kanayannur taluk, Ernakulam Dist, Kerala.

Utilisation : Out of the issue proceeds of ₹2300 Lakhs received, the Group has fully utilised/adjusted funds towards various expenditure incurred on International Ship Repair Facility (ISRF) project.

Difference between carrying amounts and fair values of financial liabilities of borrowings is not significant in each of the year presented.

Note 25: Lease Liabilities-Non current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities under Ind AS 116	53,599.92	46,013.72
Total	**53,599.92**	**46,013.72**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 26 : Other Financial liabilities - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposit	21.81	19.99
Total	**21.81**	**19.99**

Rent Deposit recieved against vessel given on operating lease disclosed at amortised cost as per Ind AS 109 - Financial Instruments.

Rent deposits maturing during the current year are stated in Current -Financial Liabilities.

Note 27 : Provisions - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits - Compensated absences (Refer Note No 40)	5,094.56	5,124.67
Provision for employee benefits - Gratuity	371.92	204.65
Total	**5,466.48**	**5,329.32**

Note 28 : Other non current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Income arising from Government Assistance	940.12	5.72
Advance lease rental	0.59	2.36
Total	**940.71**	**8.08**

Note 29 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Loan from banks repayable on demand	1,07,583.59	4,599.11
Total	**1,07,583.59**	**4,599.11**

Cochin Shipyard Limited (CSL) has a sanctioned Short Term borrowing limits of ₹ 200000 Lakhs from various banks, out of which ₹ 99246.59 Lakhs has been availed as on March 31, 2026. These loans are unsecured Working Capital Demand Loans (WCDL) of ₹ 73174.99 Lakhs in Indian Rupee, and a Packing Credit in Foreign Currency (PCFC) of EUR 23.92 million (₹ 26071.60 Lakhs). The Company borrows working capital funds benchmark to overnight treasury bills, RBI Repo and six months EURO Inter Bank Offered Rate (EURIBOR).

UCSL has availed Cash Credit facility (Sanction limit of ₹ 20000 Lakhs) from Union Bank of India ,SBI,SIB and Federal Bank at the interest rate 8.25% ,8.65%,8.00% & 7.90% annum respectively.Company has also availed EPC limits within the SBI sub limit at 6.34% p.a. Credit facility is secured by hypothecation of current assets including inventory and receivables of the Company. Terms of Repayment: Running account repayable on demand subject to annual review/ renewal.

Cash credit facility availed by UCSL as on March 31, 2026 is ₹ 3,985.62 (PY ₹ 4,344.04)

HCSL has availed Cash Credit facility (Sanction limit of ₹ 8000 Lakhs) from SBI at the interest rate 8.60% per annum. Credit facility is secured by hypothecation of current assets including inventory and receivables of the Company. Terms of Repayment: Running account repayable on demand subject to annual review/ renewal.

Cash credit facility availed as on March 31, 2026 is ₹ 4351.38 Lakhs.

Note 30: Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities under Ind AS 116	3,689.62	3,125.68
Total	**3,689.62**	**3,125.68**

Note 31 : Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	11,364.74	10,461.36
Outstanding dues of creditors other than Micro enterprises and Small enterprises	84,877.88	38,948.18
Total	**96,242.62**	**49,409.54**

Note: Fund Received from Inland Water Authority of India for PANDU Ship Repair Project (HCSL is a Nodal Agency) has been regrouped from Outstanding dues-of Creditor's Other MSME to Other Current liability ₹ 20829.55 Lakhs as on March 31, 2026 and ₹ 17360.71 Lakhs as on March 31, 2025.

To the extent, the Company has received intimation from the vendors regarding their status under the Micro,Small and Medium Enterprises Development Act, 2006, the details of trade payables are provided as under:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	11,364.74	10,461.36
Interest on above Principal	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act,2006 (27 of 2006), along with the amount of the payment made to supplier beyond the appointed day during each accounting year;		
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small, and Medium Enterprises Development Act,2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small, and Medium Enterprises Development Act,2006;	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Trade Payables ageing schedule as on March 31, 2026

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	11,364.74	-	-	-	-	11,364.74
(ii) Others	78,049.13	6,708.87	119.88	-	-	84,877.88
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Unbilled Creditors	-					-
Total	**89,413.87**	**6,708.87**	**119.88**	**-**	**-**	**96,242.62**

Trade Payables ageing schedule as on March 31, 2025

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10,461.36	-	-	-	-	10,461.36
(ii) Others	33,940.44	4,934.11	73.63	-	-	38,948.18
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	**44,401.80**	**4,934.11**	**73.63**	**-**	**-**	**49,409.54**

Note 32 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due	8.04	0.00
Dividend on preference shares	-	
Unpaid Dividend	84.87	191.87
Foreign Exchange Derivatives Liabilities	14,187.11	3,808.64
Others		
Security and other deposits	2,466.96	4,605.30
Profit share payable to lessor	1,250.10	834.50
Others Payables	18,613.15	14,476.09
Total	**36,610.23**	**23,916.40**

Other Payables includes Capex trade payables of ₹ 5008.83 Lakhs (Previous year ₹. 8995.98 Lakhs) out of which ₹ 124.86 Lakhs (Previous Year ₹ 497.83 Lakhs) is payable to MSME vendors, which are not due as on March 31, 2026.

Other payables includes ₹ Nil (PY ₹ 1,253.84 Lakhs) payable to Committee of Creditors i.e; Subsidy received from Ministry under Ship Building Subsidy Scheme paid during the year.

Note 33 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Contract Liability for Indigenous Aircraft Carrier works (Net)*	27,093.35	32,746.10
IAC Trade payables**	4,102.66	8,184.24
Contract Liability for other works	4,25,449.49	4,72,382.06
Advances for ship building , ship repair and other contracts	30,239.33	21,637.22
Income received in advance	31.87	3,451.97
Statutory dues	7,554.24	3,149.24
Deferred SD liability	89.57	-
Deferred Income arising from Government Assistance	1.14	1.14
Deferred Income arising from Government Assistance against the Asset Held for Sale	1,312.39	-
Total	**4,95,874.04**	**5,41,551.97**

*The Company has incurred expenditure amounting to ₹ 40,802.45 Lakhs up to 31 March 2026 (Previous year: ₹ 40,690.02 Lakhs) towards augmentation of infrastructure facilities for the construction of the Indigenous Aircraft Carrier (IAC) out of funds received from the Indian Navy. The ownership of the assets created out of these funds vests with the Indian Navy.

Out of the aforesaid expenditure, the Company has identified assets amounting to ₹ 17,856 Lakhs (Previous year: ₹17856 Lakhs) proposed to be taken over by the Company, for which a formal proposal has already been submitted to the Indian Navy. Pending transfer of ownership and finalisation of the takeover value with the Indian Navy, such assets have not been capitalised in the books of account of the Company.

The Company continues to utilise these assets for various shipbuilding operations, including projects of the Indian Navy other than the IAC. Upon finalisation and mutual agreement of the takeover value with the Indian Navy, the said assets will be capitalised in the books of the Company.

Stock of raw materials and bought out components procured under "Cost Plus" part of the IAC contract amounting to ₹3148.87 Lakhs (previous year ₹4746.37 Lakhs) held on behalf of Indian Navy lying with the Company is adjusted against Advances from Indian Navy for Indigenous Aircraft Carrier.

"During the Financial Year 2022-23, the Company has handed over the Indigenous Aircraft Carrier (IAC P-71) to Indian Navy in accordance with the contract for the construction of IAC P-71. The Company has raised Invoice for ₹ 1915000 Lakhs on achievement of the delivery milestone of the contract. The balance scope of work are being completed subsequently as per the construction contract.

The Company has recognised revenue to the extent of ₹ 1913767.77 Lakhs as on March 31, 2026 against the IAC project P-71 and the balance revenue would be recognised as and when the performance obligations are achieved in accordance with the construction contract of IAC P-71. The details of revenue recognised so far on the project are as follows:

(₹ in lakhs)

Description	FY 2025-26	FY 2024-25
Revenue Recognised as at beginning of the year	18,99,557.25	18,61,114.01
Revenue recognised during the year	14,210.52	38,443.24
Total revenue recognised on IAC P-71 as at year end	**19,13,767.77**	**18,99,557.25**

Refer Note No 46 on Ind AS 115 "Revenue from Contract with Customers”.

**IAC Trade Payables include ₹ 378.05 Lakhs (previous year - ₹ 1351.93 Lakhs) payable to MSME vendors which are not due as on 31 March 2026.

Fund received from Inland Waterways Authority of India (IWAI) for Pandu Project-Ship Repair Facility Unit at Pandu-Guwahati, on Deposit basis has been net off with amount incurred on Pandu Project till March 31, 2026 of ₹ 13412.62 Lakhs and balance amount as on March 31, 2026 of ₹ 7416.93 and as on March 31, 2025 of ₹ 6800.77 Lakhs is included in other current liabilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 34 : Provisions - Current

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits		
Gratuity	652.67	808.19
Compensated absences (Refer Note No 40)	435.76	452.36
	1,088.43	**1,260.55**
Other Provisions		
For Taxes and duties	2,618.60	2,682.22
For Shipbuilding loss	5,176.00	17,119.00
For Expenditure / contingencies	49,235.75	81,583.91
	57,030.35	**1,01,385.13**
Total	**58,118.78**	**1,02,645.68**

Provision for Expenses / Contingencies

In order to meet the contingent expenditure to operationalise the facility as per the resolution plan, a provision for contingency of ₹ 1250 Lakhs has been provided in books of UCSL as on 31/3/2020. During the year, UCSL has adjusted an amount of ₹ Nil (PY Nil) and the balance of ₹ 640.01 Lakhs has been reviewed and retained.

The Company has created provision towards contractual warranties in respect of vessels delivered, generally covering a period of 12 months from the date of delivery. Under these warranties, the Company undertakes to rectify defects arising from design,material,workmanship and other specified deficiencies. The outflows relating to warranty obligations are expected to arise over the warranty period from the date of delivery of vessels. The Company generally takes an insurance policy to cover risks associated with warranty obligations on new build vessels. The management believes that the insurance coverage will substantially mitigate the financial impact of warranty claims.

Other Provisions for Expenditure/Contingencies includes of ₹ 610.94 Lakhs related to Provision against the Interest income earned from PANDU Fund till March 31, 2026. Interest earned on short term deposit on surplus fund related to Ship Repair Project (PANDU) till March 31, 2026 of ₹ 610.94 Lakhs disclosed as income from deposit during FY 2022-23 to FY 2025-26, are showing as Provision in FY 2025-26.

34.1 Details of movement of provisions

(₹ in lakhs)

Particulars	As at 01.04.2025	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at March 31, 2026
Provision for employee benefits- Gratuity	808.19	652.62	728.28	79.86	652.67
Compensated absences	452.36	10.50	-	27.10	435.76
Provision for taxes and duties	2,682.22	2.85	66.47	-	2,618.60
Provision for shipbuilding loss	17,119.00	620.00	1,840.00	10,723.00	5,176.00
Provision for expenditure / contingencies	81,583.91	2,72,961.38	2,98,488.88	6,820.66	49,235.75

(₹ in lakhs)

Particulars	As at 01.04.2024	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at March 31, 2025
Provision for employee benefits- Gratuity	459.97	808.04	399.76	60.06	808.19
Compensated absences	363.42	88.94	-	-	452.36
Provision for taxes and duties	2,672.32	9.90	-	-	2,682.22
Provision for shipbuilding loss	6,363.00	11,297.00	-	541.00	17,119.00
Provision for expenditure / contingencies	53,020.97	1,26,069.08	94,858.37	2,647.77	81,583.91

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Note 35 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products		
Ship building:		
Indigenous Aircraft Carrier (IAC)	14,210.52	38,443.24
Vessels other than IAC	2,89,584.75	2,37,177.93
Engineering works	-	-
Ship Building Financial Assistance	23,001.11	13,854.70
Income from CSAS	315.64	1,143.03
Income from B&D spares	8,342.31	3,553.98
	3,35,454.33	**2,94,172.88**
Sale of services		
Ship repairs	1,63,169.42	1,83,455.74
Management fee	1,630.49	1,615.34
Income from services	205.82	168.10
	1,65,005.73	**1,85,239.18**
Other operating revenue		
Sale of stock items	305.28	337.01
Sale of scrap	1,421.61	1,219.66
Consultancy Income	-	1,027.15
	1,726.89	**2,583.82**
Total	**5,02,186.95**	**4,81,995.88**

1. Revenue is recognized when the Company satisfies performance obligations by transferring promised goods and services to the customer over a period of time using output method based on measurement of physical performance completed to date. Output method faithfully depicts the Company's performance towards complete satisfaction of the performance obligation and gives a clear picture of Company's efforts and hence the same is being adopted to depict the performance completed to date.

2. Refer Note No 46 on Ind AS 115 "Revenue from Contract with Customers".

3. Out of the Revenue from Operations, ₹ 156522.58 Lakhs (₹ 72,826.99 Lakhs in previous year) pertain to revenue from export orders.

4. The Group has considered the lock down period due to COVID 19 & GoI circular dated May 13, 2020, which ever is applicable to the projects and Kerala Flood natural calamity 2018 as Force Majeure period for computation of Liquidated Damages while calculating Revenue from operations.

5. The Company is executing shipbuilding contracts with the Andaman & Nicobar (A&N) Administration for the construction of two 1200-passenger vessels (yard nos. SH.0023 and SH.0024). The contractual delivery dates, as extended, have expired for both vessels as on 29 April 2023 for vessel SH.0023, and 30 October 2023 for vessel SH.0024.

   The two vessels are customized and designed for specific operations between Andaman Islands and Main Land. Subsequently based on a request from the A&N Administration, the Company has abated delivery activity, as the Administration has sought reallocation of the vessels to other prospective buyers. As part of a Ministry-driven initiative, the Company is actively exploring the possibility of reallocation of the vessel.However, such reallocation would necessitate significant technical modifications and cost, and the vessels, in their current state, are considered to have no alternative use.

   Given that the Company continues to have a valid and enforceable contract with the A&N Administration, and there is no current mutual termination or novation of the contract, no additional provision for LD has been recognized beyond 29 April 2023 and 30 October 2023, respectively, for SH.0023 and SH.0024 for reason of abated delivery at the request of the buyer. In accordance

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

with the terms of the contract and based on prudent estimates, the Company has recognized provision for liquidated damages (LD) up to the aforementioned dates.

The cumulative percentage of completion for the two vessels as on March 31, 2026 is 54.84 percent for SH.0023 and 55.19 percent for SH.0024. The total liquidated damages for SH.0023 is ₹ 11814.08 Lakhs and for SH.0024 is ₹ 9756.34 Lakhs up to the financial year 2025-26. The Company has recognized revenue to the tune of ₹ 16944.49 Lakhs towards SH.0023 and ₹ 17158.03 Lakhs towards SH.0024 upto March 31, 2026 after considering the liquidated damages.

The Andaman & Nicobar (A&N) Administration has now renewed their interest in one vessel with modification to suit their current requirements. The Union Territory of Lakshadweep Administration (UTLA) has also similarly indicated their willingness for the second vessel with modifications as per their requirement. The modifications are in discussion with the two administrations. Both administrations have confirmed their willingness to take over each vessel in its current under-construction state, subject to the necessary modifications. The holding Company continues to monitor developments related to this contract and will review its accounting estimates and provisioning requirements in subsequent periods as more information becomes available.

It is anticipated that the eventual sale of the vessel to a new customer will cover the various costs incurred during the construction and abatement period. The new price for the vessel is likely to be higher primarily due to significant inflation in shipbuilding costs over recent years which alter the vessel's market value.

6. The Government of India provides Ship Building Financial Assistance (SBFA) to promote domestic shipbuilding under the original Shipbuilding Financial Assistance Policy (SBFAP) and the revised Shipbuilding Financial Assistance Scheme (SBFAP 2.0). These schemes are aimed at compensating the cost incurred in the construction of vessels and not for any operational losses.

   In accordance with the respective SBFA policy guidelines, financial assistance is available only for vessels that are constructed and delivered within the stipulated period and are covered under an in-principle approval obtained from the Directorate General of Shipping. For vessels governed by the Modified Guidelines for implementation of the Shipbuilding Financial Assistance Scheme (SBFAS), eligibility is further subject to fulfilling mandatory criteria, including successful milestone-based assessments and meeting domestic content requirements as follows:

   A. Domestic content between 30% and 39% – Eligible for SBFA on a pro rata basis (proportionate to the actual domestic content achieved).

   B. Domestic content of 40% and above – Eligible for 100% SBFA (full assistance as per the scheme).

   The Group recognizes SBFA income over the construction period of the eligible vessels, in proportion to the cost incurred, provided the conditions under the policy are met or are reasonably expected to be met.

   In CSL, where there is uncertainty regarding compliance with any of the policy conditions, such as delays in construction or delivery timelines, falling short of the mandatory domestic value addition thresholds, or failing to clear independent milestone validations resulting in non-fulfilment of eligibility criteria, the Company either does not recognize the SBFA income or derecognizes the income previously recognized, as appropriate. Such contingencies are assessed regularly, and necessary accounting adjustments are made to reflect the revised expectations.

   During the current financial year the Company has recognised the financial assistance amounting to ₹ 3409.56 Lakhs in respect of delivered vessels as income for the current year.

   During the current financial year, upon the Company's request under the Institutional Mechanism, the MoPSW granted additional time for the delivery of vessels. Accordingly, the Company has re-recognised financial assistance amounting to ₹ 7037.17 Lakhs in respect of vessels under construction as income for the current year.

With regard to vessels under construction, the Company has recognized financial assistance income of ₹19591.55 Lakhs towards Ship Building Financial Assistance from Govt. of India, in order to compensate the cost incurred by the Company in building the vessels. As on the reporting date, the cumulative income accrued amounting to ₹ 38393.39 Lakhs on account of financial assistance is subject to the fulfilment of conditions stipulated in the Guidelines for Shipbuilding Financial Assistance Policy (SBFAP), as amended from time to time.

The Group while determining the pricing of the vessels, factor the Ship Building Financial Assistance (SBFA) which is an integral component of the shipbuilding process. Accordingly, during the year, the Group has regrouped the SBFA under 'Sale of product' which was hitherto grouped under 'Other operating revenue' to give a more realistic picture. The same has no financial impact on the revenue from operations.

7. Cochin Shipyard Ltd (CSL) commenced ship repair operations at Marine Dockyard Port Blair, under the ownership of Andaman and Nicobar Administration (A&N Adminstration) effective from 2019 onwards. Pursuant to the Agreement signed on 28 Nov 2019, with the A&N Administration, CSL is responsible for assisting the Administration to set up a Ship repair ecosystem at A&N islands and focussing efforts on Skill Development in the Islands, in consultation with the Administration and Technical Institutions located there. In consideration of the services, the Company is eligible for a management fee, which is accounted on pro rata basis in the Financial Statements.

8. During the year the Company has regrouped the Management fee under 'Sale of services' which was hitherto grouped under 'Other operating revenue' to give a more realistic picture. The same has no financial impact on the revenue from operations.

9. Revenue from operation includes revenue from contract for construction and supply of eight numbers of Anti -Submarine Warfare Shallow Water Crafts (ASW SWC) to the Indian Navy. Pursuant to a customer clarification on the delivery schedule, the due dates for subsequent vessels are calculated from the actual delivery date of the first vessel. Accordingly, LD has been provided only for the first vessel (where delayed). No LD has been provided for the subsequent vessels, as their expected delivery dates are within the prescribed contractual schedule.

10. In respect of ship repair contracts with the Indian Navy, revenue is recognised over time using the output method based on physical progress of work completed to date. Mandatory spares provided under these contracts are not distinct performance obligations, as they are integral to and inseparable from the repair service. The vessel cannot be repaired without consuming them, and the customer cannot benefit from the spares independently of the repair. Accordingly, mandatory spares are treated as part of a single performance obligation (repair of the vessel), and their cost is included within the total contract value for revenue recognition. Percentage completion determined for the vessel captures the consumption of mandatory spares issued for repair up to the reporting date; hence no separate measurement or recognition of revenue against mandatory spares is undertaken.

11. In CSL, The Company reassesses the measurement progress of its performance obligation under the output method as mandated by Ind AS 115 at every reporting date. During the financial year 2024-25, the Company noticed that on application of Ind AS 21, the existing measurement resulted in variations in faithful representation of revenue in the case of export contracts denominated in foreign currency. In order to address the same, the Company refined its quantification approach for the said contracts. Revenue is recognised by applying the physical completion percentage on the total transaction price, which the Company is entitled to, without bifurcating between material and service portions. The effect of change in the quantification measure has resulted in increase in revenue from operations for ₹ Nil (Previous year ₹ 11808.65 Lakhs). The Company is consistently adopting this measurement technique in recognising revenue for contracts involving similar performance obligations.

12. HCSL has recognised Revenue for PANDU Ship Repair Facility (Agency Fees) on the basis of % of Cost completion method in the FY 2025-26.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 36 : Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Training facilities	858.66	663.79
Income from sale of scrap and stores	520.29	519.57
Profit on sale of Property, Plant & Equipment	-	23.90
Income from laboratory services	17.80	15.53
Rental income	434.74	241.85
Hire charges	90.00	90.00
Interest on bank deposits	16,352.09	19,258.45
Interest from others	368.46	522.72
Dividend Income from Mutual funds	148.87	72.78
Dividend income from Society	0.54	0.54
Profit on sale of Mutual Funds		
Net gain on foreign currency transactions	-	1,405.58
Net gain on derivative contracts		
Provision no longer required	20,762.27	14,054.34
Miscellaneous income*	1,428.70	2,037.45
Total	**40,982.42**	**38,906.50**

*Miscellaneous income includes ₹ 1.14 Lakhs being deferred government assistance in the form of subsidy relating to installation of Solar Power plant inside the yard. The same has been accounted as per the requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

The Group is not accounting the Interest amount uploaded in Form 26AS on those deposits which are not taken as fixed deposits in the books of UCSL due to lien marked before NCLT order.

Other Interest received includes ₹ Nil (Previous year ₹ 283.76 Lakhs) received from Chidambaram Port Trust against Court Order.

Note 37: Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw Materials		
Steel	14,145.05	17,019.77
Pipe	1,748.66	2,054.30
Paint	2,877.26	3,008.08
Bought out components	2,00,810.70	1,91,321.93
Total	**2,19,581.67**	**2,13,404.08**

Note 38: Changes in Inventories of Work-in-Progress

(Other than those which are recognised as income on percentage / proportionate completion method)

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Work -in-progress at cost:		
At the beginning of the year	961.50	428.65
Less: at the end of the year	(240.01)	(961.50)
Total	**721.49**	**(532.85)**

The Holding Company had initiated construction of two 60-ton green tug hulls during the Financial year 2024-25 as part of Green Tug Transition Programme (GTTP) as a significant initiative introduced by the Government of India focussing on the reduction of carbon emissions in the maritime sector. Subsequently, in January 2026, the Holding Company received an order from a private customer for the construction of two 60-ton green tugs. Consequently, the expenses incurred in respect of the above tugs have been transferred from Work-in-Progress (WIP) and charged to profit and loss account during the financial year 2025-26.

Note 39 : Sub Contract and Direct Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sub contract and off loaded jobs	67,009.35	55,118.41
Hull insurance	2,975.17	2,615.62
Design Expenses	5,610.07	6,955.85
Operating expenses	30,729.55	23,238.54
Total	**1,06,324.14**	**87,928.42**

Note 40 : Employee Benefits Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus/exgratia and allowances	38,709.85	35,418.24
Contribution to Provident Fund and Family Pension Fund	2,623.54	2,405.58
Gratuity	951.28	515.25
Staff welfare expenses	4,951.95	4,303.09
	47,236.62	**42,642.16**
Less:Expenditure during construction	-	(205.27)
Total	**47,236.62**	**42,436.89**

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 32.40 Lakhs (previous year ₹ 30.34 Lakhs).

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹(-) 5.27 Lakhs (previous year ₹ 129.34 Lakhs).

The employee benefits accruing to the employees on deputation from Cochin Port Trust and Mumbai Port Trust are being accounted based on demands received from Cochin Port Trust & Mumbai Port Trust as per tripartite agreement between the Holding Company, Cochin Port Trust & Mumbai Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued.

In case of UCSL, the actuarial valuation carried out for gratuity and earned leave indicates a total current year expense of ₹ 45.94 Lakhs. The corresponding adjustment entries have been recorded in the books. As a result, the net amount reflected in the Financial Statements appears as a credit of ₹ 11.25 Lakhs.

Post-employment obligations

Group has recognized the gratuity liability for on-contract workmen as of March 31, 2026, based on actuarial valuations completed for FY 2025-26, consequent to the Gazzette Notification of the labour code. No additional provisions are required for Officers, Supervisors, or Workmen, as their current wage components already exceed the 50% threshold for PF and gratuity calculations. Similarly, leave encashment liabilities remain unchanged because existing actuarial provisions sufficiently cover regular staff, while contract employees do not carry forward enough leave to trigger new liabilities. The restructuring of consolidated pay for contract

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

workers is designed to be cost-neutral, ensuring that total gross pay and related financial outgoings remain stable. Consequently, Group has mitigated potential compliance risks through proactive liability entries and internal committee reviews without incurring significant unprovided expenses.

Provident fund

Provident Fund for eligible employees is managed by the Company through a trust in line with the Provident Fund and Miscellaneous Provision Act,1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employees and employer @12% of basic salary (including Dearness Allowance) together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The contribution is charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due in accordance with relevant statute. Employer's contribution to Provident Fund & Pension fund is ₹1980.54 Lakhs for the year 2025-26 (₹1872.67 Lakhs for the year 2024-25). The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate, which is determined on the basis of actuarial valuation.

The Company has obtained report on the determination and disclosure of interest rate Guarantee, valuation of Assets & Liabilities as per Ind AS 19 of Employees Benefits relating to Exempt Provident Fund for the period ended March 31, 2026.

The details of fund obligations as per actuarial valuation are given below:

(₹ in lakhs)

Particulars	2025-26	2024-25
Fair value of plan assets	25,625.50	24,747.34
Present value of benefit obligation at year end	26,175.49	24,781.17
Net liability / (Net asset)	549.99	33.83
Additional provision	Nil	Nil

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount Rate (p.a)	7.62%	6.78%
Rate of increase in compensation levels	Officers &Supervisors 3% Workers 3%	Officers &Supervisors 3% Workers 3%
Attrition Rate- Half Pay Leave	0.70%	0.70%
Attrition Rate- Earned Leave	Officers &Supervisors 0.7% Workers 0.7%	Officers &Supervisors 0.7% Workers 0.7%
Average Duration of Defined Benefit Obligation (In years)	9.00	9.20

Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost:		
Current Service Cost	311.68	270.62
Net Interest expense	346.24	303.84
Acturial (Gain)/Loss recognised during the period	(29.97)	815.00
Expenses recognised in the statement of profit and loss	**627.95**	**1,389.46**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of Defined Benefit Obligation at end of the year	5,360.79	5,480.86
Fair Value of Plan Assets at the end of the year	-	-
Net Liabilities /(Assets) recognized in the Balance Sheet	**5,360.79**	**5,480.86**

(₹ in lakhs)

Type of Employee Benefit	For the year ended March 31, 2026	For the year ended March 31, 2025
Current Component of PVO	422.14	446.66
Non-Current Component of PVO	4938.65	5034.20
TOTAL PVO	**5360.79**	**5480.86**

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation at beginning of the year	5480.86	4626.82
Current & Past Service Cost	311.68	270.62
Current Interest Cost	346.24	303.84
Actuarial (Gain)/ Loss	(29.97)	815.00
Benefits paid	(748.02)	(535.42)
Defined Benefit Obligation at end of the year	**5,360.79**	**5,480.86**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	748.02	535.42
Benefits paid	(748.02)	(535.42)
Fair Value of the Assets at the end of the year	**-**	**-**

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	150.96	140.34
Year 2	259.11	286.62
Year 3	151.30	177.73
Year 4	165.43	137.19
Year 5	185.89	147.08
Next 5 Years	927.67	799.80

"NA " denoted " Not Available"

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	150.96	140.34
Year 2	259.11	286.62
Year 3	151.30	177.73
Year 4	165.43	137.19
Year 5	185.89	147.08
Next 5 Years	927.67	799.80

(₹ in lakhs)

Sensitivity Analysis - Half Pay Leave	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Discount Rate + 50 BP	8.12%	7.28%
Defined Benefit Obligation [PVO]	4,506.04	4,609.86
Current Service Cost	178.68	193.41
B. Discount Rate - 50 BP	7.12%	6.28%
Defined Benefit Obligation [PVO]	4,889.10	5,016.23
Current Service Cost	195.80	212.98
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	4,897.28	5,023.15
Current Service Cost	196.17	213.32
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	4,497.13	4,601.99
Current Service Cost	178.29	193.03

BP denotes "Basis Points"

(₹ in lakhs)

Sensitivity Analysis - Earned Leave	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Discount Rate + 50 BP	8.12%	7.28%
Defined Benefit Obligation [PVO]	4,506.04	4,609.86
Current Service Cost	178.68	193.41
B. Discount Rate - 50 BP	7.12%	6.28%
Defined Benefit Obligation [PVO]	4,889.10	5,016.23
Current Service Cost	195.80	212.98
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	4,897.28	5,023.15
Current Service Cost	196.17	213.32
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	4,497.13	4,601.99
Current Service Cost	178.29	193.03

BP denotes "Basis Points"

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows (Head office):	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount Rate (p.a)	7.62%	6.78%
Rate of increase in compensation levels	Officers & Supervisors 3% Workers 3%	Officers & Supervisors 3% Workers 3%
Attrition Rate	Officers & Supervisors 0.70% Workers 0.70%	Officers & Supervisors 0.70% Workers 0.70%
Expected Rate of Return on Plan Asset	7.62%	6.78%

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Average Duration of Defined Benefit Obligations (In years)	10.92	11.30

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost:		
Current Service Cost	402.11	423.10
Past Service Cost	261.04	-
Net Interest expense	33.54	13.93
Components of defined benefit costs recognised in statement of profit and loss	**696.69**	**437.03**
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	(297.55)	337.96
Difference between Actual Return and Interest income on Plan assets (gain)/loss	112.47	(46.72)
Components of defined benefit costs recognised in Other Comprehensive Income	**-185.08**	**291.24**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of Defined Benefit Obligation at end of the year	5,773.56	5,529.24
Less: Fair Value of Plan Assets at the end of the year	5,261.94	4,800.96
Net Liabilities /(Assets) recognized in the Balance Sheet	511.62	728.28

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation at beginning of the year	5,529.24	4,799.46
Current Service Cost	402.11	423.10
Current Interest Cost	367.17	322.20
Past Service Cost	261.05	-
Actuarial (Gain)/ Loss	(297.55)	337.96
Benefits paid	(488.46)	(353.48)
Defined Benefit Obligation at end of the year	**5,773.56**	**5,529.24**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair Value of Plan Assets at the beginning of the year	4,800.96	4,399.68
Expected Return on Plan Assets	333.63	308.27
Actuarial Gain/(Loss)	(112.48)	46.72
Contributions from the employer	728.28	399.77
Benefits paid	(488.45)	(353.48)
Fair Value of the Assets at the end of the year	**5,261.94**	**4,800.96**

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	291.94	286.14
Year 2	698.12	665.64
Year 3	371.58	384.19
Year 4	317.79	321.02
Year 5	388.16	266.76
Next 5 Years	1,929.11	1,583.72

(₹ in lakhs)

Sensitivity Analysis	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Discount Rate + 50 BP	8.12%	7.28%
Defined Benefit Obligation [PVO]	5,494.32	5,251.13
Current Service Cost	360.43	345.63
B. Discount Rate - 50 BP	7.12%	6.28%
Defined Benefit Obligation [PVO]	6,074.71	5,830.27
Current Service Cost	409.08	397.00
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	6,046.54	5,779.52
Current Service Cost	399.80	390.11
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	5,507.08	5,288.36
Current Service Cost	368.28	353.54

BP denotes "Basis Points"

(₹ in lakhs)

MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	For the year ended March 31, 2026	For the year ended March 31, 2025
Government of India Securities	37.13%	28.95%
State Government Securities	12.26%	25.24%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	29.03%	31.49%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.33%	0.32%
Others (to specify)	21.25%	14.00%
Total	**100.00%**	**100.00%**

The plan assets are managed by the Gratuity Trust formed by the Company.

(₹ in lakhs)

The principal assumptions used for the purpose of actuarial valuation of International Ship Repair Facility (ISRF) , CSL Mumbai Ship Repair Unit (CMSRU) and FTE were as follows:	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount Rate (p.a)-ISRF	6.60%	6.40%
Discount Rate (p.a)-CMSRU	6.50%	6.40%
Discount Rate (p.a)-FTEs	6.30%	-
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate	2.00%	2.00%
Expected Rate of Return on Plan Asset	0.00%	0.00%

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost:		
Current Service Cost	138.58	25.24
Past Service Cost	98.33	-
Net Interest expense	17.63	16.55
Components of defined benefit costs recognised in statement of profit and loss	**254.54**	**41.79**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	(41.40)	0.35
Difference between Actual Return and Interest income on Plan assets (gain)/loss		
Components of defined benefit costs recognised in Other Comprehensive Income	**(41.40)**	**0.35**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of Defined Benefit Obligation at end of the year	488.57	275.42
Less: Fair Value of Plan Assets at the end of the year		-
Net Liabilities /(Assets) recognized in the Balance Sheet	**488.57**	**275.42**

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation at beginning of the year	275.43	233.26
Current Service Cost	138.58	25.25
Current Interest Cost	17.63	16.56
Past Service Cost	98.33	-
Actuarial (Gain)/ Loss	(41.40)	0.35
Benefits paid	-	-
Defined Benefit Obligation at end of the year	**488.57**	**275.42**

ISRF, CMSRU, FTE gratuity is self managed by the Company.

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		
Year	**FTEs**	**ISRF**	**CMSRU**
Year 1	NA	NA	NA
Year 2	NA	NA	NA
Year 3	NA	NA	NA
Year 4	NA	NA	NA
Year 5	NA	NA	NA
Next 5 Years	NA	NA	NA

"NA " denoted " Not Available"

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Particulars	For the year ended March 31, 2025		
Year	**FTEs**	**ISRF**	**CMSRU**
Year 1	NA	NA	NA
Year 2	NA	NA	NA
Year 3	NA	NA	NA
Year 4	NA	NA	NA
Year 5	NA	NA	NA
Next 5 Years	NA	NA	NA

"NA " denoted " Not Available"

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		
Year	FTEs	ISRF	CMSRU
Year 1	33.04	91.07	8.49
Year 2	69.21	44.69	4.53
Year 3	81.24	11.68	0.43
Year 4	53.55	17.69	0.44
Year 5	7.99	39.60	8.50
Next 5 Years	-	123.12	8.54

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Particulars	For the year ended March 31, 2025		
Year	FTEs	ISRF	CMSRU
Year 1	NA	63.01	8.03
Year 2	NA	46.94	6.20
Year 3	NA	25.86	3.15
Year 4	NA	10.25	-
Year 5	NA	5.99	-
Next 5 Years	NA	95.80	10.15

Sensitivity Analysis as on March 31, 2026

(₹ in lakhs)

Particulars	FTEs	ISRF	CMSRU
A. Discount Rate + 100 BP	7.30%	7.60%	7.50%
Defined Benefit Obligation [PVO]	209.95	241.87	23.37
Variation	-2.00%	-3.33%	-3.19%
B. Discount Rate - 100 BP	5.30%	5.60%	5.50%
Defined Benefit Obligation [PVO]	218.68	259.26	24.97
Variation	2.07%	3.62%	3.44%
C. Salary Escalation Rate + 100 BP	4.00%	4.00%	4.00%
Defined Benefit Obligation [PVO]	217.72	258.24	24.87
Variation	1.63%	3.21%	3.02%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%	2.00%
Defined Benefit Obligation [PVO]	210.80	242.69	23.45
Variation	-1.61%	-3.00%	-2.85%

BP denotes "Basis Points"

Sensitivity Analysis as on March 31, 2025

(₹ in lakhs)

Particulars	FTEs	ISRF	CMSRU
A. Discount Rate + 100 BP	NA	7.40%	7.40%
Defined Benefit Obligation [PVO]	NA	239.07	26.73
Variation	NA	-3.55%	-2.96%
B. Discount Rate - 100 BP	NA	5.40%	5.40%
Defined Benefit Obligation [PVO]	NA	257.45	28.42
Variation	NA	3.86%	3.18%
C. Salary Escalation Rate + 100 BP	NA	4.00%	4.00%
Defined Benefit Obligation [PVO]	NA	256.44	28.30
Variation	NA	3.45%	2.76%
D. Salary Escalation Rate - 100 BP	NA	2.00%	2.00%
Defined Benefit Obligation [PVO]	NA	239.88	26.82
Variation	NA	-3.23%	-2.60%

BP denotes "Basis Points"

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Employee Benefit Plans of UCSL (subsidiary)

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount Rate (p.a)	7.40%	6.60%
Rate of increase in compensation levels	5.00%	5.00%
Attrition Rate- Half Pay Leave	1.00%	-
Average Duration of Defined Benefit Obligation (In years)	14.73	16.37

Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost:		
Current Service Cost	9.14	4.83
Past Service Cost	3.38	0.00
Net Interest expense	5.04	1.95
Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans	**17.56**	**6.78**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of Defined Benefit Obligation at end of the year	124.18	84.89
Fair Value of Plan Assets at the end of the year	-	-
Net Liabilities /(Assets) recognized in the Balance Sheet	**124.18**	**84.89**

(₹ in lakhs)

Type of Employee Benefit	For the year ended March 31, 2026	For the year ended March 31, 2025
Current Component of PVO	2.86	5.44
Non-Current Component of PVO	121.32	79.45
TOTAL PVO	**124.18**	**84.89**

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation at beginning of the year	84.89	28.31
Current & Past Service Cost	12.52	4.83
Current Interest Cost	5.04	1.95
Actuarial (Gain)/ Loss	38.67	52.33
Benefits paid	(16.94)	(2.53)
Defined Benefit Obligation at end of the year	**124.18**	**84.89**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	16.94	2.53
Benefits paid	(16.94)	(2.53)
Fair Value of the Assets at the end of the year	**-**	**-**

Expected Contributions in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	2.86	4.36
Year 2	17.03	0.00
Year 3	14.42	1.67
Year 4	13.35	2.57
Year 5	13.63	2.36
Next 5 Years	197.28	73.93

"NA " denoted " Not Available"

(₹ in lakhs)

Sensitivity Analysis - Earned Leave	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Discount Rate + 100 BP	8.40%	7.60%
Defined Benefit Obligation [PVO]	114.95	77.46
Variation	-7.43%	-8.75%
B. Discount Rate - 100 BP	6.40%	5.60%
Defined Benefit Obligation [PVO]	134.75	93.55
Variation	8.51%	10.20%
C. Salary Escalation Rate + 100 BP	6.00%	6.00%
Defined Benefit Obligation [PVO]	134.26	93.16
Variation	8.11%	9.74%
D. Salary Escalation Rate - 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	115.22	77.66
Variation	-7.21%	-8.52%

BP denotes "Basis Points"

Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows:	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount Rate (p.a)	7.40%	6.60%
Rate of increase in compensation levels	5.00%	5.00%
Withdrawal Rate	1.00%	0.00%
Expected Rate of Return on Plan Asset	7.63%	7.60%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Average Duration of Defined Benefit Obligations (In years)	11.22	12.78

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service Cost:		
Current Service Cost	31.27	25.59
Past Service Cost	0.07	0.00
Net Interest expense	(2.95)	(0.04)
Components of defined benefit costs recognised in statement of profit and loss	**28.39**	**25.55**
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	(7.35)	(1.28)
Difference between Actual Return and Interest income on Plan assets (gain)/loss	(1.47)	(0.92)
Components of defined benefit costs recognised in Other Comprehensive Income	**(8.82)**	**(2.20)**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present Value of Defined Benefit Obligation at end of the year	104.22	75.26
Less: Fair Value of Plan Assets at the end of the year	170.52	119.96
Net Liabilities /(Assets) recognized in the Balance Sheet	**(66.30)**	**(44.70)**

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation at beginning of the year	75.26	47.58
Current Service Cost	31.27	25.59
Current Interest Cost	4.97	3.37
Past Service Cost	0.07	-
Actuarial (Gain)/ Loss	(7.35)	(1.28)
Benefits paid		
Defined Benefit Obligation at end of the year	**104.22**	**75.26**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair Value of Plan Assets at the beginning of the year	119.96	48.13
Expected Return on Plan Assets	7.92	3.42
Actuarial Gain/(Loss)	1.47	0.92
Contributions from the employer	41.17	67.49
Benefits paid		
Fair Value of the Assets at the end of the year	**170.52**	**119.96**

Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in lakhs)

Year	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	9.84	7.75
Year 2	9.01	2.12
Year 3	9.12	5.84
Year 4	9.68	4.89
Year 5	8.52	3.84
Next 5 Years	189.57	50.82

(₹ in lakhs)

Sensitivity Analysis	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Discount Rate + 100 BP	8.40%	7.60%
Defined Benefit Obligation [PVO]	95.92	68.00
Variation	-7.97%	-9.65%
B. Discount Rate - 100 BP	6.40%	5.60%
Defined Benefit Obligation [PVO]	113.93	83.88
Variation	9.31%	11.45%
C. Salary Escalation Rate + 100 BP	6.00%	6.00%
Defined Benefit Obligation [PVO]	113.54	83.54
Variation	8.94%	10.99%
D. Salary Escalation Rate - 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	96.12	68.15
Variation	-7.78%	-9.44%

BP denotes "Basis Points"

(₹ in lakhs)

MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	For the year ended March 31, 2026	For the year ended March 31, 2025
Government of India Securities	NA	NA
State Government Securities	NA	NA
High Quality Corporate Bonds	NA	NA
Equity shares of listed companies	NA	NA
Property	NA	NA
Special Deposit Scheme	NA	NA
Funds managed by Insurer	100%	100%
Others (Life Insurance Corporation of India)	NA	NA
Total	**100%**	**100%**

The plan assets are managed through Group Gratuity Scheme of Life Insurance Corporation of India.

Employee Benefit Plans of HCSL (subsidiary)

Defined Benefit Plans/Long Term Compensated Absences

Description of Plans:

The Company has not taken any funded plan for gratuity of its employees. The present value of obligation is determined in accordance with the advice of independent, Professionally qualified actuaries using the projected unit credit method, which is recognised in each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The net Defined Benefit cost is recognised by the Company in the Financial Statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Risk:

The Defined Benefit Plans expose the Company to interest rate risk, salary cost inflation risk and Demographic risk.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary might lead to higher liabilities.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(₹ in lakhs)

	Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	**Components of Employer Expense**				
	Recognised in the Statement of Profit and Loss:				
1	Current Service Cost	10.55	4.40	5.92	4.87
2	Past Service Cost	-	-	-	-
3	Net Interest Cost	0.72	0.79	0.69	0.20
4	Actuarial gains/(losses)	-	31.27	-	11.25
5	**Total expense recognised in the Statement of Profit and Loss**	**11.27**	**36.46**	**6.61**	**16.32**
	Re-measurements recognised in Other Comprehensive Income				
6	Return on plan assets (greater)/less than discount rate	-	-	-	-
7	Effect of changes in assumptions	(3.44)	-	0.17	-
8	Effect of experience adjustments	7.42	-	(4.08)	-
9	**Total re-measurements included in Other Comprehensive Income**	3.98	-	**(3.91)**	**-**
10	**Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (5+9)**	**15.25**	**36.46**	**2.69**	**16.32**

The current service cost, past service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Employee Benefits Expenses" under Note 40. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

(₹ in lakhs)

	Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
II	**Net Liability/(Asset) recognised in Balance Sheet**				
	Present Value of Defined Benefit Obligation	24.38	45.35	9.14	11.28
	Fair Value of Plan Assets	-	-	-	-
	Net liability:				
	- Non-Current	15.92	34.60	9.07	11.02
	- Current	8.45	10.76	0.07	0.26

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
III. Change in Defined Benefit Obligation (DBO)				
1 Present Value of DBO at the beginning of the year	9.13	11.28	13.25	10.90
2 Current Service Cost	10.55	4.40	5.92	4.87
3 Past Service Cost	-	-	-	-
4 Net Interest Cost	0.72	0.79	0.69	0.20
5 Actuarial gains/(losses)	-	-	-	-
6 Remeasurement gains /(losses):				
a Effect of changes in demographic assumptions	(0.26)	(0.48)	-	-
b Effect of changes in financial assumptions	(3.17)	(5.99)	0.16	0.20
c Changes in asset ceiling (excluding interest income)	-	-	-	-
d Effect of experience adjustments	7.41	37.74	(4.08)	11.05
7 Curtailment Cost/(Credits)	-	-	-	-
8 Settlement Cost/(Credits)	-	-	-	-
9 Acquisitions credit/ (cost)	-	-	-	-
10 Effects of transfer In/(Out)	-	-	-	-
11 Benefits Paid	-	(2.39)	(6.81)	(15.94)
12 **Net defined benefit liability/ (asset) at end of current period**	**24.38**	**45.35**	**9.13**	**11.28**

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
IV. Best Estimate of Employers' Expected Contribution for the next year		
Gratuity	24.38	9.13

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
V. Change in Fair Value of Assets	-	-	-	-
1 Plan Assets at the beginning of the year	-	-	-	-
2 Acquisition adjustment	-	-	-	-
3 Interest income on plan assets	-	-	-	-
4 Employer contributions	-	-	-	-
5 Return on plan assets greater/(lesser) than discount rate	-	-	-	-
6 Benefits paid	-		-	-
7 Fair Value of assets at the end of current period				

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars		For the year ended March 31, 2026		For the year ended March 31, 2025	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VI.	**Actuarial Assumptions**				
1	Discount rate per annum	7.87%	7.87%	6.90%	6.90%
2	Rate of Escalation in Salary	3.00%	3.00%	3.00%	3.00%
3	Mortality Rate	IIAM 2012-2015 Ultimate	IIAM 2012-2015 Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
4	Withdrawal	0.70%	0.70%	0.70%	0.70%

VII. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

(₹ in lakhs)

Particulars		As at March 31, 2026		As at March 31, 2025	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
A	**Discount Rate**	7.87%	7.87%	6.90%	6.90%
	Effect on DBO due to 1% increase in Discount Rate	(2.76)	(5.27)	(1.48)	(1.79)
	Percentage Impact	5.68%	(5.85%)	(16.20%)	(15.90%)
	Effect on DBO due to 1% decrease in Discount Rate	3.16	5.95	1.84	2.22
	Percentage Impact	6.35%	6.48%	20.10%	19.70%
B	**Salary Escalation Rate**	3.00%	3.00%	3.00%	3.00%
	Effect on DBO due to 1% increase in Salary Escalation Rate	3.24	6.14	1.90	2.29
	Percentage Impact	6.60%	6.73%	20.70%	20.30%
	Effect on DBO due to 1% decrease in Salary Escalation Rate	(2.83)	(5.34)	(1.55)	(1.87)
	Percentage Impact	5.93%	(6.10%)	(16.90%)	(16.60%)

(₹ in lakhs)

Maturity Analysis of the Benefit Payments	As at March 31, 2026		As at March 31, 2025	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Year 1	8.78	11.17	0.07	0.27
Year 2	1.47	4.84	0.06	0.21
Year 3	0.19	0.52	0.15	0.22
Year 4	0.21	0.59	0.17	0.23
Year 5	0.22	0.62	0.20	0.24
Year 6 to 10	2.87	7.32	1.14	1.37
More Than 10 Years	79.00	138.21		

(i) Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 40: ₹ 33.64 Lakhs (2025 - ₹ 42.14 Lakhs).

Note 41 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on lease liabilities	4,772.32	4,109.81
Interest on tax free bonds	200.37	201.17
Interest on Cash credit	4,002.35	34.69
Finance cost on financial liabilities measured at amortised cost	259.25	-
Interest others	3.32	56.49
	9,237.61	**4,402.16**
Less:Expenditure during construction	-	(544.61)
Total	**9,237.61**	**3,857.55**

Note 42 : Depreciation and Amortisation Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on Property, plant and equipments	10,319.40	7,627.95
Depreciation on Right Of Use Assets	1,740.94	1,745.64
Amortisation of intangible asset	918.99	1,113.54
Total	**12,979.33**	**10,487.13**
Less:Expenditure during construction	-	(169.49)
Total	**12,979.33**	**10,317.64**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 43 : Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores & spares	3,923.76	3,923.01
Dimunition in value of Loose tools	274.45	192.03
Rates and taxes	167.08	146.70
Power	3,707.62	3,769.70
Fuel	1,572.45	1,160.87
Water	420.55	369.03
Repairs and maintenance:		
Building and roads	1,438.90	1,040.12
Plant and machinery	559.30	376.84
Others	3,636.55	2,773.34
Maintenance dredging	2,368.84	914.07
Transport and stores handling	331.63	192.39
Travelling and conveyance expenses	1,719.90	1,304.54
Printing and stationery	154.70	123.64
Postage, telephone and telex	73.78	70.66
Advertisement and publicity	854.18	634.49
Lease rent	6.96	26.87
Hire charges	1,940.47	1,308.61
Insurance charges	1,259.58	656.41
Security expenses	3,296.19	2,650.52
Payments to Auditors	41.78	39.20
Training expenses	1,334.95	952.31
Legal expenses	102.92	182.70
Consultancy	205.61	154.29
Bank charges	1,892.04	1,662.91
Net loss on foreign currency transactions	2,221.17	-
Loss on Forex Derivative Transactions	3,674.50	248.46
Corporate social responsibility (Refer Note no.53)	1,789.06	1,564.51
Loss on sale/write off of property, plant and equipments	112.54	5.65
Bad debts written off	-	8,614.55
R&D and New initiatives *	1,840.31	2,043.17
Miscellaneous expenses	1,756.40	1,067.68
Total	**42,678.17**	**38,169.27**

Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
For Audit Fees	25.75	25.75
For Limited Review/other services	13.35	12.35
For Certifications	2.68	1.10
Total	**41.78**	**39.20**

*R&D and New initiatives includes the following:

a) USHUS is a start-up support program of CSL in association with Indian Institute of Management Kozhikode (IIMK) & Indian Institutes of Technology Madras (IITM) to augment the Government of India's initiatives to encourage and develop an ecosystem in India to support Maritime Start-ups. As part of this program maritime start-ups will receive seed funds from CSL as grants/investments.

b) IIMK LIVE & IIT Madras will review and recommend the proposals received under this scheme for funding by CSL. Fee for their services amounts to ₹27 Lakhs current year (Previous Year - ₹ 26.50 Lakhs).During the FY:2025-2026 ₹227.50 Lakhs has been disbursed to 10 start ups identified by IIMK (Previous Year 105 Lakhs-9 start ups) & ₹250 Lakhs has been disbursed to 8 start ups identified by IITM (Previous Year: NIL) under seed funding scheme.

c) Refer Note No: 5 and Note No: 21 relating to Research and Development project under the R&D initiative of the Ministry of Ports, Shipping and Waterways (MoPSW)

Note 44 : Provision for Anticipated Losses and Expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loss allowance for Trade Receivables	219.31	662.83
Expenses and contingencies	3,023.79	542.28
Profit share to lessor	1,258.82	843.22
Loss on Ship Building	5.00	10,756.00
Total	**4,506.92**	**12,804.33**

Note 45 : Earnings per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net Profit after tax (₹ in Lakhs)	71,673.95	82,733.05
Basic and Diluted Earnings Per Share (EPS) (in ₹)	27.24	31.45
Face value per share (in ₹)	5.00	5.00

Refer Note No:22.1

Note 46: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers"

A. Disclosures of Disaggregated revenue as per Ind AS 115

(₹ in lakhs)

Type of Product or Services	For the year ended 31 March 2026			
	Revenue as per Ind AS 115	Method for measuring performance obligation		Total as per Statement of Profit and Loss
		Input Method	Output Method	
A. Revenue from goods or services transferred over time				
(i) Sale of products				
Ship building:				
Indigenous Aircraft Carrier (IAC)	14,210.52	-	14,210.52	14,210.52
Vessels other than IAC	2,89,900.39	-	2,89,900.39	2,89,900.39
Ship Building Financial Assistance	23,001.11	23,001.11		23,001.11
(ii) Sale of services				
Ship repairs	1,63,169.42	-	1,63,169.42	1,63,169.42
Income from services	205.82		205.82	205.82
Management fee	1,630.49	-	1,630.49	1,630.49

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Type of Product or Services	For the year ended 31 March 2026			
	Revenue as per Ind AS 115	Method for measuring performance obligation		Total as per Statement of Profit and Loss
		Input Method	Output Method	
B. Revenue from goods or services transferred to customers at a point in time				
(i) Sale of products				
Ship building:				
Sale of B&D Spares	8,342.31			8,342.31
Other operating revenue				
Sale of Ship Building Scrap	592.74			592.74
Sale of Ship Repair Scrap	828.87			828.87
Sale of stock items	305.28			305.28
Total				**5,02,186.95**

(₹ in lakhs)

Type of Product or Services	For the year ended 31 March 2025			
	Revenue as per Ind AS 115	Method for measuring performance obligation		Total as per Statement of Profit and Loss
		Input Method	Output Method	
A. Revenue from goods or services transferred over time				
(i) Sale of products				
Ship building:				
Indigenous Aircraft Carrier (IAC)	38,443.24	-	38,443.24	38,443.24
Vessels other than IAC	2,38,320.96	-	2,38,320.96	2,38,320.96
Ship Building Financial Assistance	13,854.70	13,854.70	-	13,854.70
(ii) Sale of services				
Ship repairs	1,83,623.84	-	1,83,623.84	1,83,623.84
Management fee	1,615.34	-	1,615.34	1,615.34
B. Revenue from goods or services transferred to customers at a point in time				
(i) Sale of products				
Ship building:				
Sale of B&D Spares	3,553.98	-	-	3,553.98
Other operating revenue				
Sale of Ship Building Scrap	860.69	-	-	860.69
Sale of Ship Repair Scrap	358.97	-	-	358.97
Consultancy income	1,027.15	-	-	1,027.15
Sale of stock items	337.01	-	-	337.01
Total				**4,81,995.88**

B. Contract balances

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Receivables	42,321.88	22,484.91
Contract Assets	1,35,933.14	92,482.86
Contract Liabilities	4,52,542.84	5,05,128.16

Movement in contract balances during the year

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Contract asset at the beginning of the year	92,482.86	76,011.63
Contract asset at the end of the year	1,35,933.14	92,482.86
Net increase/(decrease)	43,450.28	16,471.23

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities at the beginning of the year	5,05,128.16	4,96,202.62
Contract liabilities at the end of the year	4,52,542.84	5,05,128.16
Net increase/(decrease)	(52,585.32)	8,925.54

C. Details of transaction price allocated to unsatisfied/ partially satisfied performance obligations:

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period amounts to ₹1808272.14 Lakhs (excluding Cost Plus Part of IAC contract).The amount of transaction price relating to unsatisfied performance obligation that are part of a contract that has an original expected duration of one year or less has not been included in the above disclosure as permitted under Ind AS 115. Further the estimate of the transaction price as above would not include any estimated amounts of variable consideration that are constrained. Management expects that 29.17 % of transaction price allocated to unsatisfied/ partially satisfied contracts as of March 31, 2026, as stated above, will be recognised as revenue during FY 2026-27 and the remaining thereafter.

During the year ended March 31,2026 the Group recognised revenue of ₹ 118869.47 Lakhs arising from opening Contract Liability as of April 01,2025.

D. Reconciliation of contracted price with revenue during the year

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening contracted price of orders	28,75,722.09	26,12,071.63
Add:		
Fresh orders/change orders received (net)	4,14,508.22	2,50,850.59
Increase due to additional consideration including Shipbuilding Financial assistance	(14,985.77)	50,950.30
Increase due to exchange rate movements (net)	47,653.59	1,285.83
Less:		-
Other deductions including variations, change orders etc.	451.75	24,332.90
Orders completed during the year	2,04,582.96	15,103.36
Closing contracted price of orders	**31,17,863.42**	**28,75,722.09**
Total Revenue recognised during the year:	3,12,264.24	2,62,930.77
Less: Revenue out of orders completed during the year	57,735.63	7,257.88
Revenue out of orders under execution at the end of the year (I)	2,54,528.61	2,55,672.89
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	10,54,451.23	9,33,368.15
Effect of reversal of revenue (cancelled contract)	-	378.78
Decrease due to exchange rate movements (net) (III)	611.44	14,48,711.90
Balance revenue to be recognised in future viz. Order book (IV)	18,08,272.14	16,86,302.27
Closing contracted price of orders (I+II+III+IV)	**31,17,863.42**	**28,75,722.09**

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for the year ended March 31, 2026

Note 47: Additional Disclosures under Ind AS 116-"Leases"

Rent and Hire charges Expense includes expense incurred for the year ended March 31, 2026 on Short term leases and leases of low value assets amounting to ₹1947.43 Lakhs (Previous year ₹ 1335.48 Lakhs).

Total Cash outflow for leases for the year ended March 31,2026 including outflow on short term and low value leases is ₹ 3696.19 Lakhs (Previous year ₹ 3191.59 Lakhs).

The Group has lease term extension options that are not reflected in the measurement of lease liabilities.

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Less than one year	3,634.93	3,130.75
One to five years	17,739.31	14,816.72
More than five years	1,77,640.73	1,13,471.29
Total	**1,99,014.97**	**1,31,418.76**

The details of the contractual maturities of leased assets on an undiscounted basis are as follows

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Less than one year	99.65	129.05
One to five years	488.46	204.89
More than five years	842.75	112.93
Total	**1,430.86**	**446.87**

Movement of Lease Liabilities are as under:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	49,139.40	47,917.76
Add:Additions	6,944.61	141.86
Add:Interest recognised during the year	4,772.32	4,109.81
Less: Deletion/ Disposal		59.98
Less: Payment made	3,566.79	2,970.05
Closing Balance	**57,289.54**	**49,139.40**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 48: Additional Disclosures for Hedge Accounting

The Group enters into foreign exchange derivative contracts to offset the foreign currency risks arising from the amounts denominated in currencies other than Indian Rupee. The counter party to the Group's foreign currency forward contracts is a bank.

The Group has the following outstanding forward contracts, which have been designated as Cash Flow Hedges, as on March 31, 2026 (₹ in Lakhs) :

(₹ in lakhs)

Currency	No. of contracts	March 31, 2026		No. of contracts	March 31, 2025	
		Notional amount of contracts	Fair Value Gain/ (Loss)		Notional amount of contracts	Fair Value Gain/ (Loss)
Euro	171	2,04,126.57	(14,171.83)	210	2,21,118.62	1,356.01
NOK	1	863.07	6.50	5	7,676.66	(30.49)
USD	3	59.32	1.79	7	484.06	3.89
JPY				1	1,766.90	(30.47)
Total	**175**	**2,05,048.96**	**(14,163.54)**	**223**	**2,31,046.24**	**1,298.94**

The movement in Hedge reserve for derivatives designated as cash Flow Hedges is as follows

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year Cr/(Dr)	45.63	(593.75)
Changes in the fair value of effective portion of outstanding cash flow derivatives (Net)	(16,436.84)	639.38
Balance at the end of the year	**(16391.21)**	**45.63**

Note 49: CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
A	**CONTINGENT LIABILITY (To the extent not provided for)**			
a	**Claims against the Company not acknowledged as debt**			
i	Sub- Contractors & Suppliers	24036.08	27,312.93	Claims made by suppliers which are currently under dispute and has not been acknowledged as debt. Based on the facts of the case, the Company believes that the likelihood of outflow of resources embodying economic benefits is remote, and expects any potential liability, if at all, to be significantly lower than the amount claimed. However, the matter is under conciliation.
b	**Guarantees**			
i	Letters of Credit	18157.95	19,279.09	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets.
ii	Bank Guarantees	2,33,201.73	2,01,613.65	Bank guarantees (including continuity guarantees) represent guarantees issued by various banks on behalf of the Company to its customers and other beneficiaries. Value of advance Bank Guarantee outstanding as on Balance sheet date is included in Note 50.
iii	Bank Guarantee	20	20.00	Bank Guarantee issued as per Customs preventive manual (Chapter 20) for removal of goods for ship under repair with out payment of duty for a period of two years for CMSRU.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

	Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
iv	Guarantee given on behalf of wholly owned subsidiary Company (UCSL)	7814.16	6,093.74	The Company has provided a joint and several guarantee along with its wholly owned subsidiary,M/s Udupi Cochin Shipyard Limited,under a ship building contract with M/s Ocean Sparkle for 11 vessels.The subsidiary has received a refundable advance of ₹ 7814.16 Lakhs.The Company's liability would arise only in the event of default by the subsidiary.Based on the asessment of the subsidiary's financial and operational capability to fulfil its obligations,the likelihood of any outflow of resources from the Company is considered remote.Out of 11 vessels 2 vessels were delivered in 2025-26.
c	**Other money for which the Company is contingently liable**			
i	Greater Cochin Development Authority (GCDA)	69.06	69.06	Claim raised by GCDA for the land acquired for the Company is settled. However 8 land acquisition revision petition cases (Valued at ₹ 69.06 Lakhs) filed by evictees is pending with the Hon'ble Supreme Court and High Court.
ii	Customs duties	48412.36	12,726.96	(i) Customs duty for materials under Bond for - ₹ 7108 Lakhs. (ii) Penalty on differential IGST - ₹ 232.47 Lakhs. (iii) Custom duty and IGST paid under protest for which appeal has been raised before the Customs Excise and Service Tax Appellate Tribunal - ₹ 5752.18 Lakhs. (iv) Show Cause Notice No. 187/2025-26 dated 30.01.2026 under section 124 read with section 28(4) and 142 of the Customs Act,1962 received by CSL from the office of Commissioner of Customs, alleging the non complaince with the provisions of the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) and other reasons.CSL has submitted an initial reply to the show cause notice - ₹ 35253.53 Lakhs. (v) FDR lien marked on Registrar of High Court of Kerala for - ₹ 66.18 Lakhs.
iii	Income Tax	1389.86	1,389.86	Demand relating to Assessment Years: AY 2010-11 - ₹ 126.26 Lakhs AY 2014-15 - ₹ 911.07 Lakhs AY 2017-18 - ₹ 331.77 Lakhs AY 2018-19 - ₹ 20.76 Lakhs Demands raised as per the assessment orders totaling to ₹ 1389.86 Lakhs for the Assessment Years 2010-11, 2014-15, 2017-18 and 2018-19 are pending disposal of the appeals filed before the Commissioner of Income Tax (Appeals). The demands are mainly due to disallowance under Section 37. However the above demands have been adjusted against the refund due for the subsequent years.

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
iv Service Tax	1,647.47	1,647.47	Demand of Service Tax on IAC (Design Consultancy) as per Show Cause Notice issued. Appeal filed to CESTAT against the order of The Commissioner of Central Tax & Central Excise.
	376.67	376.67	Refund claim of Service Tax on IAC granted by Commissioner of Central Excise (Appeals) . However Department filed Appeal before CESTAT against the order of Commissioner(Appeals).
	323.04	323.04	Demand of Service Tax on IAC (Management Fee/Handling Charges) as per Show Cause Notice issued. Appeal filed to CESTAT against the order of The Commissioner of Central Tax & Central Excise.
	2,339.64	2,339.64	Show Cause Notice issued for levy of service tax on ship repair without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Proceedings under the show cause has been dropped by the Commissioner of Central Tax and Central excise, Thiruvananthapuram . Department filed appeal before CESTAT.
	1,885.49	1,885.49	Show Cause Notice issued for levy of Service Tax on the repair of vessels owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Proceedings under the show cause has been dropped by the Commissioner of Central Tax and Central Excise, Thiruvananthapuram . Department filed appeal to CESTAT.
	513.72	513.72	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2015-16 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Reply filed before Commissioner of Central Tax & Central Excise, Kochi.
	734.93	734.93	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2016-17 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Reply filed before Principal Commissioner of Central Tax & Central Excise, Kochi.
	150.57	150.57	Show Cause Notice issued for levy of service tax on ship repair during the period 2015-16 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Joint Commissioner confirmed demand. Appeal filed before Commissioner (Appeals) against the Order in Original.
	286.85	286.85	Show Cause Notice issued for levy of service tax on ship repair during the period 2016-17 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Reply filed before Commissioner of Central Tax & Central Excise (Appeals), Cochin.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars		As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
		279.46	279.46	Show Cause Notice issued for non payment of service tax on availing services of persons in non-taxable territory for meeting contractual warranty obligations and on cost of security provided to the transportation of Barge from Cochin to Abu Dhabi. Demand confirmed by Commissioner of Central Tax & Central Excise . Appeal filed before CESTAT.
v	Kerala Value Added Tax (KVAT)	1,369.94	1,369.94	Demand for FY 2015-16. Assessing office made additions to taxable turnover against the order of Joint Commissioner (Appeals) and raised demand for tax and interest. Writ petition filed before High Court of Kerala for stay on recovery proceedings.
vi	Demand for Input Tax credit on IGST for the period 2018-19 and penalty thereon	92.13	92.13	Show Cause Notice issued for mismatch in input tax credit claimed in GSTR 3B and GSTR 2A for FY 2018-19. Additional Commissioner confirmed the demand. Appeal filed to Commissioner (Appeals) against the Order In Original.
vii	Demand for Input Tax credit on IGST for the period 2018-19 & 2021-2022, Non payment/ Shortpayment of CGST,SGST & IGST under RCM for the period 2019-20 & 2020-21 and penalty thereon	19.78	-	Show Cause Notice issued for mismatch in input tax credit claimed in GSTR 3B and GSTR 2A for FY 2018-19 & 2021-2022 and for Non payment/ Short payment of RCM for the mismatch between GSTR 3B & 8A. Additional Commissioner confirmed the demand. Appeal filed to Commissioner (Appeals) against the Order In Original.
viii	Alekton Engineering Industries Pvt Ltd	471.91	384.17	The petitioner (claimant) approached MSME Council for recovery of Liquidated damages (LD) along with interest in respect of LD deducted by CSL for delay in submission of drawings and supply of goods . MSME Council , Chennai has referred the case to Madras High Court Arbitration Centre for arbitration. Madras High Court Arbitration Centre has appointed Mr. Suhrith Parthsarrathy as the sole arbitrator . Claim petition filed by the petitioner. Order passed by the Sole Arbitrator in favour of the respondent (CSL). Alekton Engineering Industries Pvt Ltd has filed appeal with Hon'ble Madras High Court to set aside arbitral award.
ix	M/s. Vigil Marine Services	2,340.54	2,065.17	CSL had entered into an Agency Agreement with M/s Vigil Marine Services vide Agreement dated 01.08.1993 for marketing the Ship Building and Ship Repair Operations of CSL to Clients in Middle East. The agreement was terminated in the year 2003 due to breach by Vigil Marine. Vigil Marine raised claims for payment of Agency Commission for winning orders for NPCC and ATCO Orders (worth 18.25 million) which was rejected by CSL. Arbitration Request was filed before the Hon'ble Supreme Court for appointment of Sole Arbitrator and accordingly arbitration commenced on 10.10. 2004.

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
			The Arbitral Award was passed on 24.11.2015 directing CSL to pay commission to M/s Vigil Marine Services at the rate of 5% of the ATCO contract value of U S Dollar 18.25 Million with interest @ 8% per annum from the date of receipt of the above payment till payment is made to M/s Vigil Marine as under the Award. Aggrieved on this CSL filed arbitration appeal before District Court, however by virtue of a judgement of the Hon'ble Supreme it was held that the 2016 Amendment to Arbitration Act was retrospective in effect and therefore appeal lies before High Court. Consequently OP (ICA) 1/ 2019 was preferred before High Court of Kerala. Meanwhile the 2019 Amendment came into effect which inter alia stated that 2016 amendment was prospective in effect and therefore the appeal was remitted back to District Court. Later the Hon'ble Supreme Court struck down the 2016 Amendment and consequently, OP (ICA) No. 1/ 2021 was filed before High Court of Kerala. As per the provisions of the Arbitration Act , CSL had initially deposited BG for the award amount with interest up to the date of the award i.e. till 24.11.2015 . However, the Hon'ble Court vide its order dated 30.11.2023 directed deposit of award amount with interest computed till 01.04.2023 and accordingly, Bank guarantee for an amount of ₹ 1869.19 Lakhs has been submitted to Registrar, High Court and the same is included in Note 50. The matter is pending final hearing.
x Employee State Insurance Corporation	54.66	54.66	ESI Corporation raised a demand notice for ₹ 62.28 Lakhs towards contribution for advance trainees for the period Apr 2008- Mar 2012. Company has paid contribution of ₹ 26.46 Lakhs for the period Jun 2010- Mar 2012. Later on, ESI Department has raised a demand notice of ₹ 19.84 Lakhs towards interest on delayed payments and damages for the period Jun 2010- Jul 2013. The Company is contesting the demands made before Honourable Insurance Court, Alappuzha. In the meantime, the court has granted a stay by depositing ₹ 1 lakh.
xi Customs bond for availing ship repair pass	100.00	100.00	Customs bond issued as per customs preventive manual (Chapter 20) for removing goods for ship under repair with out payment of duty for a period of two years for CMSRU.
xii Indemnity Bond to Customs Authorities	27309.24	19,203.00	Bond under Customs (Imports of Goods at Concessional Rate of Duty) rules 2017.
xiii Indemnity Bond to Govt of India	30415.00	30,415.00	Represent Indemnity Bonds given by Company to GoI towards performance of obligations under the IAC contract. Value of advance Bank Guarantee/Indemnity Bond outstanding as on Balance sheet date is included in Note 50.
xiv Paint contamination claims	863.83	863.83	Claims raised against the Company for paint contamination spots observed on cars - Ghamadia & 128 yard at Mumbai Port.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
xv Claim for the salary amount recovered from CoPA deputed employees to ISRF	1.68	1.68	6 employees of CoPA has made a claim for the refund of salary recovered against their absence from duty , due to the revised timings issued by CoPA for the ministerial staff. CSL is in receipt of the summons from the Central Govt Industrial Tribunal. The case have been posted for hearing in 23rd June 2026.
xvi Fine levied by the Stock Exchanges (BSE and NSE) for non-compliance with certain Corporate Governance provisions of the SEBI LODR Regulations	83.92	34.42	The Stock Exchanges have levied fines on CSL for non-appointment of Independent Directors and related requirements including non-constitution of committees (Audit Committee and Nomination and Remuneration Committee) of the Board as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As the non-compliances were beyond the Company's control and not due to its negligence or default, CSL will request a waiver of the fines from the Stock Exchanges once the required independent directors are appointed. The Stock Exchanges have in the past waived off the fines in similar situations.
B COMMITMENTS (To the extent not provided for)			
a Estimated amount of contracts remaining to be executed on capital account and not provided for:	17509.72	31,509.31	Estimated amount of contracts remaining to be executed on capital account and not provided for.
C Modifications made in Consolidated Financial Statements pursuant to CAG observations raised during supplementary audit conducted for the year 2025-26 under section 143(6)(a) of Companies Act 2013:			
1. Cash flow statement (A. Cashflow from operating activities): Figures for the year 2024-25 relating to Provision for anticipated losses and expenditure and Increase / (decrease) in trade and other payables has been revised Provision for anticipated losses and expenditure - Revised to Rs 12,141.50 lakhs from Rs 12,804.33 lakhs Increase / (decrease) in trade and other payables - Revised to Rs 56,526.85 lakhs from Rs 55,864.02 lakhs			
2. Contingent liabilities and commitments - 49 A (c) (v): Amount of contingent liabilities towards Kerala value added tax for the years 2024-25 and 2025-26 has been revised to Rs 1,369.94 lakhs from Rs 787.32 lakhs			

The Holding Company has entered into a non-binding MOU with HD Korea Shipbuilding & Offshore Engineering Co. Ltd. (KSOE), South Korea during FY 2025-26, proposing a Joint Venture to set up and operate Block fabrication facility in Kochi utilizing the designated facility which is the 310 meter New Dry Dock. The said asset has been classified under Property, Plant and equipment at its carrying value of ₹ 134181.09 Lakhs.

The Holding Company has entered into a non-binding MOU and Heads of Terms agreement with Drydocks World – Dubai FZCO (DDW) during FY 2025-26, proposing a Joint Venture to operate and expand the International Ship Repair Facility (ISRF) in Kochi. As of the Balance Sheet date, no binding Shareholders' Agreement or Business Transfer Agreement has been executed. Accordingly, the assets collectively called the ISRF facility continues to be classified under Property, Plant and Equipment at its carrying value of ₹ 105316.53 Lakhs.

CONTINGENT LIABILITIES AND COMMITMENTS in respect Udupi Cochin Shipyard Ltd., Subsidiary

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
A CONTINGENT LIABILITY AFTER TAKE OVER (To the extent not provided for)			
a Guarantees			
i Letters of Credit	1,372.05	6,419.41	Represent guarantees issued by various banks on behalf of the Company to its overseas suppliers.
ii Bank Guarantees	29,305.59	32,209.86	Bank guarantees represent guarantees issued by various banks on behalf of the Company to its customers.

The Company has been sanctioned Fund based and Non Fund based limits of ₹126253.00 Lakhs (PY ₹ 108753.00 Lakhs) as against the security of hypothecation of current assets including inventory and trade receivables of the Company.

B CONTINGENT LIABILITIES RELATED TO ERSTWHILE TEBMA PERIOD

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
i. Tax Matters			
Director General of Foreign Trade (DGFT)			
- Where the Company is in appeal (Writ petition pending before Honourable High court of Madras). The amount disclosed inclusive of Interest amount, that may be charged.	448.31	437.01	Company has filed Writ petition aganist impugned orders by DGFT imposing penalty, customs duty and Interest under Foreign Trade Act issued to explain the reasons as to why Petitioner's name should not be placed under Denied Entity List refusing issuance of further licences/authorizations and other export benefits in terms of Section 9(2) of the Foreign Trade (Development and Regulation) Act, 1992 Interim Stay Order granted on 03 August 2022 until further orders.
- Where the Company is in appeal (Writ petition pending before Honourable High court of Madras) The amount disclosed inclusive of Interest amount, that may be charged.	859.98	804.70	Show cause notices issued to explain the reasons as to why Petitioner's name should not be placed under Denied Entity List refusing issuance of further licences/authorizations and other export benefits in terms of Section 9(2) of the Foreign Trade (Development and Regulation) Act, 1992 by DGFT. Interim Stay Order granted on 03 August 2022 until further orders.
- Where the Company is in appeal (Writ petition pending before Honourable High court of Karnataka)	Refer Description of the nature and obligation column	Refer Description of the nature and obligation column	Show cause notices issued alleging that there was failure to achieve positive net foreign exchange(NFE) of ₹ 918.90 Lakhs in respect of the years 2011-12 to 2015-16 and also a failure to file the Annual Progress Report (APR) in respect of the Malpe EOU for the years 2016-17 onwards resulting in non-fulfilment amounted to a contravention of the FTP and thereby rendered the Petitioner liable to imposition of penalty under Sec. 11(2) of the FT (D&R) Act. The said Notice has been quashed by an Order of the High Court dt 27/3/25.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars	As at March 31, 2026 (₹ in Lakhs)	As at March 31, 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
			The Hon'ble High court has granted an interim stay of all proceedings pursuant to the show cause notice vide order date 15 Dec 2021. The Respondents have filed their counter affidavit in the matter and the matter is posted for filing of rejoinder by the Petitioners.
- Where the Department has served Show cause notices The amount disclosed inclusive of Interest amount, that may be charged.	389.19	364.17	Show cause notices issued to explain the reasons as to why Petitioner's name should not be placed under Denied Entity List refusing issuance of further licences/authorizations and other export benefits in terms of Section 9(2) of the Foreign Trade (Development and Regulation) Act, 1992 by DGFT. UCSL representative has attended personal hearing and submitted reply. Order awaitied.
Others			
Entry Tax	76.90	76.90	All these cases pertain to the periods prior to the order of the Hon'ble NCLT approving the resolution plan and are not included in the Resolution Plan as no claims were submitted by the authorities concerned in response of the public notice issued by the Resolution Professional in terms of the regulations of IBC and who fall under the definition of operational creditors. However, as per the order of the Hon'ble NCLT dt. 04-03-2020, the Company has been directed to file applications for termination of the proceedings before the relevant authorities.
Central / State Excise / Service Tax / Customs / Goods and service tax / VAT	1,234.65	1,234.65	
Karnataka VAT	11.91	11.91	Order no ZD2900223010218S dtd 20/2/23 for Wrong claim of ITC for the period Sep to Dec 2017. All these cases pertain to the periods prior to the order of the Hon'ble NCLT approving the resolution plan and are not included in the Resolution Plan as no claims were submitted by the authorities concerned in response of the public notice issued by the Resolution Professional in terms of the regulations of IBC and who fall under the definition of operational creditors. However, as per the order of the Hon'ble NCLT dt. 04-03-2020, the Company has been directed to file applications for termination of the proceedings before the relevant authorities. Company replied to the authorities accordingly.
Income Tax Cases	21.69	21.69	This case was initiated for the AY 2018-19 and the AO had added back Income without an oppurtunity to have a response to the Income added back. Since the Company was under NCLT process at that time , the Company could not file an appeal but subsequently a condonation was sought and appeal was filed. The case is pending in Appeal with the Tax Authorities.
ii) Money Suits			
Plaintiff: Cochin Port trust	262.76	262.76	Port had filed a civil suit on 28/03/2014 before the Honourable Sub Court at kochi to recover an amount of ₹ 105 Lakhs with interest @ 15% p.a, which was incurred by CopT to rectify the manufacturing defects noticed on the tugs supplied by Company. Matter pending before court for arbitration.

There are no other pending litigations, other than those disclosed above.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Note 50 : Value of advance Bank Guarantee outstanding as on reporting date is ₹ 1087613.44 Lakhs (Previous year ₹ 1032503.48 Lakhs)

Note 51: Litigations:

The Group is subject to legal proceedings and claims, in the ordinary course of business. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's results of operation.

Note 52 : Research & Development /New Initiative Expenditure

(₹ in lakhs)

Particulars	FY 2025-26	FY 2024-25
a) Revenue Expenditure	2,038.62	2,270.08
b) Capital Expenditure	402.26	2.83
	2,440.88	**2,272.91**

Refer Note No.4 and 43

₹ 3500 Lakhs has been allocated for R&D and innovation initiatives Fund, for development of pilot Autonomous Surface Vessel Project.1% of average turnover based on the audited financial results of the standalone financial results of CSL for the last three financial years is set aside as yearly budget for the Research and Development/Innovation initiatives of CSL. Further the Board has granted approval for funding support not exceeding ₹ 5000 Lakhs to "USHUS" project under CSL's Start-up Engagement Policy Framework.

Note 53 : Corporate Social Responsibility (CSR) : As per section 135 of the Companies Act 2013, CSR committee has been formed by the Holding Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and other areas permitted in Schedule VII to the Companies Act 2013. The utilisation of CSR funds are done as per the recommendations of CSR committee. Details of amount required to be spent and the amount utilised are given below:

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Gross amount required to be spent by the Company during the year	1784.08	1557.68
(b) Amount spent during the year	1554.16	1789.51

(₹ in lakhs)

In case of Sec.135(5) Excess amount spent	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Amount carry forwarded from previous financial years	395.00	170.00
(ii) Amount spent during the year	1,554.16	1,789.51
(iii) Amount charged to P&L as CSR expenses	1,789.06	1,564.51
(iv) Amount carry forwarded to succeding financial years	160.00	395.00

As on 31 March 2026, the Company spent ₹ 164.98 Lakhs in excess of amount required to be spent as per Companies Act, 2013 out of which ₹ 4.98 Lakhs is charged to Profit and Loss and ₹ 160 Lakhs is carried forwarded to succeding financial years.

(₹ in lakhs)

Additional Disclosures on CSR	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Amount required to be spent by the Company during the year,	1784.08	1558.68
(ii) Amount of expenditure incurred,	1554.16	1789.51
(iii) Shortfall at the end of the year,	0.00	0.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Additional Disclosures on CSR	For the year ended March 31, 2026	For the year ended March 31, 2025
(iv) Total of previous years shortfall,	0.00	0.00
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities: As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and other areas permitted in Schedule VII to the Companies Act 2013. The utilisation of CSR funds are done as per the recommendations of CSR committee.		
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

Details of amount spent for year ended 31 March 2026

(₹ in lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	602.98		602.98
(ii) On purposes other than (i) above	951.18		951.18
	1,554.16	**-**	**1,554.16**

Details of amount spent for year ended 31 March 2025

(₹ in lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	1,419.72	-	1,419.72
(ii) On purposes other than (i) above	369.79	-	369.79
	1,789.51	**-**	**1,789.51**

Note 54 : Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2025-26	2024-25
Shri Madhu S Nair Chairman & Managing Director (Up to January 31, 2026)	Key Managerial Personnel	Key Managerial Personnel
Shri Bejoy Bhasker Director (Technical) (Up to May 31, 2025)	Key Managerial Personnel	Key Managerial Personnel
Shri Sreejith K Narayanan Director (Operations) (Up to May 31, 2025) HCSL Chief Executive Officer (From 01.08.2025)	Key Managerial Personnel	Key Managerial Personnel
Shri Jose V J Director (Finance) & Chief Financial Officer Chairman & Managing Director (Addl. Charge w.e.f February 01, 2026)	Key Managerial Personnel	Key Managerial Personnel
Dr. Harikrishnan S Director (Operations) (w.e.f August 27, 2025)	Key Managerial Personnel	
Shri Rajesh Gopalakrishnan Director (Technical) of Holding Company (w.e.f August 27, 2025) Director of UCSL from Oct 30 2024	Key Managerial Personnel	Key Managerial Personnel

Related Party	Nature of Relationship 2025-26	Nature of Relationship 2024-25
Shri Rajesh Kumar Sinha Part-time Official (Nominee) Director, Government of India (up to August 07, 2025)	Key Managerial Personnel	Key Managerial Personnel
Shri Venkatesapathy S Part-time Official (Nominee) Director, Government of India (w.e.f August 07, 2025)	Key Managerial Personnel	
Shri Biju Prabhakar Part-time Official (Nominee) Director, Government of Kerala (Up to May 31, 2025)	Key Managerial Personnel	Key Managerial Personnel
Shri P B Nooh Part-time Official (Nominee) Director, Government of Kerala (w.e.f June 20, 2025)	Key Managerial Personnel	
Smt. Amrapali Prashant Salve Non-Official (Independent) Director (Up to Nov 21, 2024)		Key Managerial Personnel
Shri Nahar Singh Maheshwari Non-Official (Independent) Director (Up to Nov 21, 2024)		Key Managerial Personnel
Shri Ashok Sharma Non-Official (Independent) Director (Up to Nov 21, 2024)		Key Managerial Personnel
Shri Prithiviraj Harichandan Non-Official (Independent) Director (Up to May 01, 2024)		Key Managerial Personnel
Shri Venkatesan M Non-Official (Independent) Director (Up to Nov 21, 2024)		Key Managerial Personnel
Shri Abhijit Biswas Non-Official (Independent) Director (Up to Nov 21, 2024)		Key Managerial Personnel
Dr. Seema Suri Non-Official (Independent) Director (w.e.f May 21, 2025)	Key Managerial Personnel	
Shri Syamkamal N Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Shri Shiraz V P Director UCSL	Key Managerial Personnel (From 23.07.2025)	
Smt. Anjana K R Director UCSL, Nominee Director HCSL	Key Managerial Personnel	Key Managerial Personnel
Shri Neelakandhan A N (UCSL) Director, UCSL (w.e.f May 03,2022 till Aug 31, 2024)		Key Managerial Personnel
Shri Harikumar A Chief Executive Officer UCSL	Key Managerial Personnel	Key Managerial Personnel
Shri Shankar Nataraj Chief Financial Officer UCSL	Key Managerial Personnel	Key Managerial Personnel
Shri Aswin Sarma M Company Secretary UCSL	Key Managerial Personnel	Key Managerial Personnel
Eldho John, Nominee Director HCSL (w.e.f. July 23, 2025)	Key Managerial Personnel	
Shri.Saibal Chattopadyay, Chief Financial Officer HCSL	Key Managerial Personnel	Key Managerial Personnel
Shri Sanil Peter, Chief Executive Officer (Till 31.07.2025) HCSL	Key Managerial Personnel	Key Managerial Personnel
Shri Kiran.K.A, Company Secretary HCSL	Key Managerial Personnel	Key Managerial Personnel

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Related Party	Nature of Relationship	
	2025-26	2024-25
India Ship Technology Centre (Section 8 Private Limited Company incorporated on March 29, 2026)	Subscriber Member	
CSL Superannuation Pension Trust For Executives And Supervisors	Post- Employment Benefit Plan	Post- Employment Benefit Plan
Cochin Shipyard Ltd Group Gratuity Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Retired Employees Medical Assistance Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Mutual And Public Welfare Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
Cochin Shipyard Ltd Employees Contributory Provident Fund Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Officers And Supervisors Retirement Benefit Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Insurance Linked Medical Assistance Trust For Retired Workmen	Post- Employment Benefit Plan	Post- Employment Benefit Plan
CSL Workmen Pension Trust	Post- Employment Benefit Plan	Post- Employment Benefit Plan

India Ship Technology Centre (ISTC) was incorporated on March 29, 2026 as a Section 8 Company limited by guarantee and not having share capital under the directions of the Ministry of Ports, Shipping and Waterways (MoPSW) to support the development of the Indian shipbuilding sector through participation of shipyards, ship designers, academic institutions, research and training organisations, industry associations and professional bodies etc. Director (Finance) and Director (Operations) of CSL serve as initial members and directors of ISTC, with their appointment and direction being subject to the encouragement and strategic guidance of the Ministry of Ports, Shipping and Waterways (MoPSW). CSL provides only administrative, operational and managerial assistance on a reimbursable basis, and all actual expenses incurred by CSL for ISTC are reimbursed upon allocation of funds by the Government of India. The current governance structure is temporary and established solely to expedite the incorporation process; upon formation of an independent Board, ISTC will be an independent and autonomous entity under the Ministry of Ports, Shipping and Inland waterways. Accordingly, ISTC is treated as a related party operating under the strategic guidance and encouragement of the Government of India. ISTC has total assets of ₹ Nil and total liabilities of ₹ nil as at March 31, 2026. Reimbursable expenses incurred on behalf of ISTC during the year amounted to ₹ nil, with ₹ nil as at the reporting date.

Nature of transaction-Remuneration to Key Managerial Person

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short term benefit	635.49	413.37
Post employment Benefit	56.41	50.11
Total	**691.91**	**463.48**

Nature of transaction-Advances

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2025	Loans/advances Taken during 2025-26	Repayment	Balance as on March 31, 2026	Interest accrued as on March 31, 2026
Rajesh Gopalakrishnan	0.00	5.78	1.20	4.58	1.76
Harikrishnan S	0.00	0.68	0.48	0.20	0.00
Syamkamal N	0.18	0.65	0.63	0.20	0.00

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2024	Loans/advances Taken during 2024-25	Repayment	Balance as on March 31, 2026	Balance as on March 31, 2026
Bejoy Bhasker	0.00	0.00	0.00	0.00	0.00
Jose V J	0.00	0.00	0.00	0.00	0.00
Sreejith K N	0.00	0.00	0.00	0.00	0.00
Syamkamal N	0.14	0.60	0.56	0.18	0.00

Nature of transaction-Sitting Fee to Independent Directors

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Smt.Seema Suri	3.60	0.00
Smt. Amrapali Prashant Salve	0.00	3.00
Shri Nahar Singh Maheshwari	0.00	3.60
Shri Ashok Sharma	0.00	3.30
Shri Prithiviraj Harichandan	0.00	0.30
Shri Venkatesan M	0.00	2.10
Shri Abhijit Biswas	0.00	3.60
Total	**3.60**	**15.90**

Transactions and Balances with other Related Parties (Post- Retirement Benefits Trust/Plans)

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Transactions		
Contribution to Post employment plans (for the year)	2,241.50	3,444.90
ii) Balances		
Payable to trust (Net)	599.44	104.12

Transactions & Balances with Government and entities under the control of same government

Government of India (GOI) as on March 31, 2026 is holding 67.91% equity shares of the Holding Company, which is held by President of India through Ministry of Ports,Shipping and Waterways (MoPSW). GOI controls the Group through Ministry of Ports,Shipping and Waterways (MoPSW).

The Group has made various transactions with the Ministry of Ports,Shipping and Waterways (MoPSW) and with entities being controlled or jointly controlled or having significant influence of the Ministry of Ports,Shipping and Waterways (MoPSW).

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for the year ended March 31, 2026

i) Transactions/Balances with GoI

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Amount payable to Government of India	234.19	234.19

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount paid as dividend during the year to Government of India	17,420.45	17,713.30
Amount paid by HCSL as Lease Rent and Security Deposit during the Year 2025-26 to Govt. of India (MoPSW)	47.55	235.91

ii) Significant transactions with Government related Entities under MoPSW

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Lease rent paid	2,842.93	2675.87
Power & water supply charges	904.87	1,613.37
Annual Profit share payment	910.67	227.73
Employee related expenses	1,745.25	596.68
Dredging of ISRF area	364.49	429.73
Tugs & Pilotage charges	516.14	360.99
Guaranteed amount	241.83	233.04
IWAI-Fund Received For PANDU-Project and Agency Fees	4,355.00	12,539.00
Revenue from operations	14,182.47	4,130.17

iii) Significant balances with Government related Entities under MoPSW

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Payables	8.18	26.46
Advances given to suppliers	134.81	72.09
Receivables	5,570.87	2,787.77
Advance received from customers	3,804.77	4,260.63
IWAI-Pandu Project Fund	7,462.27	6,850.84

In addition to the above, around 63.06 % (approx) of the group's turnover and 80.83% (approx) of trade receivables and customer advance is with respect to Government and Government related entities including those under MoPSW.

Note 55 : FINANCIAL INSTRUMENTS

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level II inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level III inputs are unobservable inputs for the asset or liability.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis

(₹ in lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	March 31, 2026	March 31, 2025	
Financial Assets			
Non Current			
(i) Investments	11,300.18	19.26	Level III
(ii) Loans	625.01	551.52	Level III
(iii) Others	190.01	167.03	Level III
Current			
(i) Trade Receivables	42,321.88	22,484.91	Level III
(ii) Cash & Cash equivalents	10,538.70	31,667.12	Level III
(iii) Bank Balances other than (ii)	2,30,055.39	2,79,595.10	Level III
(iv) Loans	163.99	131.10	Level III
(v) Others	10,616.87	27,864.93	Level III
Total Financial Assets	**3,05,812.03**	**3,62,480.97**	
Financial Liabilities			
Non Current			
(i) Borrowings	2,302.20	2,302.20	Level III
(ii) Lease liabilities	53,599.92	46,013.72	Level III
(iii) Other financial liabilities	21.81	19.99	Level III
Current			
(i) Borrowings	1,07,583.59	4,599.11	Level III
(ii) Trade Payables	96,242.62	49,409.54	Level III
(iii) Lease liabilities	3,689.62	3,125.68	Level III
(iv) Other financial liabilities	36,610.23	23,916.40	Level III
Total Financial Liabilities	**3,00,049.99**	**1,29,386.64**	

Note:

1. The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose.The Company has chosen to designate these investments in equity instruments of Subsidiary at cost (as per Ind AS 27) and other equity instruments at FVTOCI (as per Ind AS 109), as the directors believe that this provides a more meaningful presentation of medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss. The investments in debt instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments at Amortised Cost.

   Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

   There were no transfers between Level 1 and 2 in the period.

2. Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.

3. The carrying amount of trade receivables are considered to be the same as their fair value due to their short term nature.

4. For financial liabilities (trade and other payables and security deposits), fair value at amortised cost is determined by using discounted cash flow method; amortised on an aggregated basis and on straight line, as their individual impact is not considered material. Appropriate market borrowing rate of the Company as of each balance sheet date is used for discounting.

Notes to the Consolidated Financial Statements

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5. Difference between carrying amounts and fair values of bank deposits, other financial assets,short term loans, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented

Financial Instruments by category

(₹ in lakhs)

	As at March 31, 2026			As at March 31, 2025		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost/At Cost
Financial Assets						
Investments (Non-current)						
- Equity instruments	-	22.49	-	-	19.26	-
- Debt instruments	-	-	11,277.69	-	-	-
- Preference shares	-	-	-	-	-	-
Investments (Current)				-	-	-
- Mutual Funds	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Trade receivables	-	-	42,321.88	-	-	22,484.91
Cash & Cash equivalents	-	-	10,538.70	-	-	31,667.12
Bank Balances	-	-	2,30,055.39	-	-	2,79,595.10
Other Financial Assets	-	-	11,595.88	-	-	28,714.58
Total Financial Assets	**-**	**22.49**	**3,05,789.54**	**-**	**19.26**	**3,62,461.71**
Financial liabilities						
Borrowings			1,09,885.79	-	-	6,901.31
Lease liabilities			57,289.54	-	-	49,139.40
Trade Payables			96,242.62	-	-	49,409.54
Other financial liabilties			36,632.04	-	-	23,936.39
Total Financial Liabilities	**-**	**-**	**3,00,049.99**	**-**	**-**	**1,29,386.64**

Amendments to Ind AS 107: Disclosures relating to Supplier Finance Arrangements

The Company has entered into certain Supplier Finance Arrangements (SFA) with finance providers during the year. The primary objective of these arrangements is to benefit the MSME suppliers with early payments. The Company doesn't provide any collateral or guarantees to the finance provider.

Carrying Amount of Financial Liabilities:	March 31, 2026
(i) Financial liabilities (relating to Supplier Finance Arrangements) classified under 'Trade Payables'	5,587.36
(ii) Out of (i), amount received by suppliers from finance providers	1,108.06

Payment Terms	March 31, 2026
(i) The Financial liabilities that are part of the arrangement	30-45 Days
(ii) Comparable trade payable that are not part of the arrangement	30-45 Days

The Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

Note 56: Financial Risk Management Policy

Financial Risk Management Objective and Policies:

The Group's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables and advances from customers. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board provides written principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, being mainly commodity price risk. Financial Assets affected by market risk include loans and advances, deposits and derivative financial instruments.

A. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is minimal since the exposure relates primarily to the Company's long-term debt obligations of redeemable non-convertible bonds with fixed interest rates as disclosed in Notes 24 and 29. With the current profile of fixed rate borrowing, the Company is not sensitive to interest rate fluctuations.

The Company is exposed to interest rate risk because the Company borrows working capital funds benchmarked to overnight Treasury Bills, RBI Repo, six months EURIBOR. The Company's exposure to interest rates are detailed in Note No. 29.

B. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency risk of the Holding Company is managed through a properly documented risk management policy approved by the board. The Board of directors also reviews the foreign currency exposure of the Company on quarterly basis. The Company manages the net foreign currency risk mainly by entering into forward contracts with the bank as the counter party. The disclosures of outstanding forward contract as on reporting date is given in Note 48.

The Group's exposure to foreign currency risk net of hedged exposure at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate) are as follows:

(₹ in lakhs)

Particulars	SGD	AED	USD	EURO	GBP	NOK	Total
Financial Assets							
March 31, 2026	-	-	-	-	-	-	-
March 31, 2025	-	-	-	-	-	-	-
Financial Liabilities							
March 31, 2026	-	-	5,659.97	13,450.07	143.43	8,853.51	28,106.98
March 31, 2025	1.22	1.42	7,742.59	12,488.41	69.93	307.91	20,611.48

The sensitivity of profit/loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The sensitivity analysis includes only outstanding foreign currency denominated monetary items net of hedge accounting impact and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. The sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates.

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(₹ in lakhs)

Particulars	5% change in foreign currency rates	
	As at March 31,2026	As at March 31, 2025
Receivables		
USD - Strengthening of ₹ by 5%	-	-
USD - Weakening of ₹ by 5%	-	-
EURO - Strengthening of ₹ by 5%	-	-
EURO - Weakening of ₹ by 5%	-	-
GBP - Strengthening of ₹ by 5%	-	-
GBP - Weakening of ₹ by 5%	-	-
AED - Strengthening of ₹ by 5%	-	-
AED - Weakening of ₹ by 5%	-	-
SGD - Strengthening of ₹ by 5%	-	-
SGD - Weakening of ₹ by 5%	-	-
NOK - Strengthening of ₹ by 5%	-	-
NOK - Weakening of ₹ by 5%	-	-
Payables		
USD - Strengthening of ₹ by 5%	(282.99)	(387.13)
USD - Weakening of ₹ by 5%	282.99	387.13
EURO - Strengthening of ₹ by 5%	(672.51)	(624.43)
EURO - Weakening of ₹ by 5%	672.51	624.43
GBP - Strengthening of ₹ by 5%	(7.17)	(3.49)
GBP - Weakening of ₹ by 5%	7.17	3.49
AED - Strengthening of ₹ by 5%	-	(0.07)
AED - Weakening of ₹ by 5%	-	0.07
SGD - Strengthening of ₹ by 5%	-	(0.06)
SGD - Weakening of ₹ by 5%	-	0.06
NOK - Strengthening of ₹ by 5%	(442.68)	(15.39)
NOK - Weakening of ₹ by 5%	442.68	15.39
Profit Before Tax		
USD - Strengthening of ₹ by 5%	282.99	387.13
USD - Weakening of ₹ by 5%	(282.99)	(387.13)
EURO - Strengthening of ₹ by 5%	672.51	624.43
EURO - Weakening of ₹ by 5%	(672.51)	(624.43)
GBP - Strengthening of ₹ by 5%	7.17	3.49
GBP - Weakening of ₹ by 5%	(7.17)	(3.49)
AED - Strengthening of ₹ by 5%	-	0.07
AED - Weakening of ₹ by 5%	-	(0.07)
SGD - Strengthening of ₹ by 5%	-	0.06
SGD - Weakening of ₹ by 5%	-	(0.06)
NOK - Strengthening of ₹ by 5%	442.68	15.39
NOK - Weakening of ₹ by 5%	(442.68)	(15.39)

C. Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the purchase of steel, major machineries, equipments etc. The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of steel, being the primary raw material inputs. The Company aims to sell the finished products based on firm contract which is negotiated after due consideration of the expected raw material prices. Therefore, the Company plans its purchases closely to optimise the price. Further since the products are of a specific nature which does not entail competition and is heterogeneous in nature due to its specification, the Company's exposure to commodity risk is minimal.

The following table details the Group's sensitivity to a 5% movement in the input price of steel. The sensitivity analysis includes only 5% change in commodity prices for quantity consumed during the year, with all other variables held constant.

(₹ in lakhs)

Particulars	Increase of 5 %		Decrease of 5 %	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Steel	707.25	850.99	(707.25)	(850.99)

Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may arise from an inability to sell a financial asset quickly at a rate close to its fair value.

The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provides liquidity in the short-term and long- term and manages the liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities as depicted below.

(₹ in lakhs)

Particulars	As on March 31, 2026			As on March 31, 2025		
	< 1 year	1-3 years	> 3 years	< 1 year	1-3 years	> 3 years
Financial Assets						
Non-current investments			11,300.18	-	-	19.26
Loans (Non Current)	-	399.60	225.41	-	228.43	323.09
Other Financial Assets (Non Current)	6.30	38.70	145.01	6.30	37.92	122.81
Trade Receivables	42,321.88	-	-	22,484.91	-	-
Cash and Cash Equivalents	10,538.70	-	-	31,667.12	-	
Bank Balances other than cash and cash equivalents	2,30,055.39	-	-	2,79,595.10	-	-
Loans	163.99	-	-	131.10	-	
Other Financial Assets	10,227.51	389.36		27,544.75	320.18	-
Total Financial Assets	**2,93,313.77**	**827.66**	**11,670.60**	**3,61,429.28**	**586.53**	**465.16**
Financial Liabilities						
Borrowings (Non Current)	2.20	2,300.00	-	2.20	-	2,300.00
Lease Liabilities (Non Current)	-	7,867.95	45,731.97	594.37	6,675.05	38,744.30
Other financial liabilities (Non Current)	21.81	-	-	-	19.99	-
Borrowings (Current)	1,07,583.59	-	-	4,599.11	-	-
Lease Liabilities	3,689.62	-	-	3,125.68	-	-
Trade payables	96,242.62	-	-	49,409.54	-	-
Other financial liabilities	35,941.60	668.63	-	23,409.77	506.63	-
Total Financial Liabilities	**2,43,481.44**	**10,836.58**	**45,731.97**	**81,140.67**	**7,201.67**	**41,044.30**

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its exposure to other financial assets, including deposits with banks and financial institutions, derivative instruments, and other financial instruments. The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit rating in order to manage the credit risk. Trade receivables mainly comprise of government entities and the cash and cash equivalents and derivative instruments are maintained with banks and recognised financial institutions with high credit rating.

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For trade receivables, as a practical expedient the Company computes credit loss allowance based on a provision matrix which considers historically observed default rates over expected life of trade receivables, adjusted for forward looking estimates. The movement in expected credit loss allowance is disclosed in Note 15.

The Group's maximum exposure to the credit risk for the components of Balance Sheet as March 31, 2026 and March 31, 2025 is the carrying amounts mentioned in Note no 15 and as stated in Note 54, around 63.06%(approx) of Company's turnover and 80.83% (approx.) of trade receivables and customer advance it with respect to Government and Govt. regulated entities. The maximum exposure relating to financial derivative instruments and financial guarantees is disclosed in Note 48 and Note 50 respectively.

Note 57: Disclosure pursuant to Ind AS 1 "Presentation of Financial Statements":

a. Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

(₹ in lakhs)

Particulars	As on March 31, 2026			As on March 31, 2025		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Inventories	2,28,836.29	-	2,28,836.29	1,89,608.53	-	1,89,608.53
Trade receivables	42,321.88	-	42,321.88	22,484.91		22,484.91
Cash and cash equivalents	10,538.70	-	10,538.70	31,667.12	-	31,667.12
Bank balances	2,30,055.39	-	2,30,055.39	2,79,595.10	-	2,79,595.10
Loans	163.99	-	163.99	131.10	-	131.10
Other Financial assets	10,296.69	320.18	10,616.87	27,544.75	320.18	27,864.93
Current tax assets (net)	10,346.67	-	10,346.67	-	-	-
Other current assets	4,46,139.51	81,671.09	5,27,810.60	4,01,214.68	15,586.54	4,16,801.22

b. Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

(₹ in lakhs)

Particulars	As on March 31, 2026			As on March 31, 2025		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Borrowings	1,07,583.59	-	1,07,583.59	4,599.11	-	4,599.11
Lease Liabilities	3,689.62	-	3,689.62	3,125.68	-	3,125.68
Trade payables	96,242.62	-	96,242.62	49,409.54	-	49,409.54
Other financial liabilities	34,205.45	2,404.78	36,610.23	23,409.77	506.63	23,916.40
Other current liabilities	1,44,977.45	3,50,896.59	4,95,874.04	1,20,195.23	4,21,356.74	5,41,551.97
Provisions	58,118.78	-	58,118.78	1,02,286.48	359.20	1,02,645.68
Current tax liabilities (net)	-	-	-	2,460.25	-	2,460.25

Note 58 : Segment Reporting

The Group has identified two major operating segments viz, Shipbuilding and Ship Repair. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Segment Assets		
Ship building	10,35,330.55	8,69,295.75
Ship Repair	3,68,949.75	3,48,802.99
Unallocated	48,784.80	1,21,823.99
Total	**14,53,065.10**	**13,39,922.73**
Segment Liability		
Ship building	6,14,645.13	4,47,070.26
Ship Repair	40,322.53	1,01,937.09
Unallocated	2,10,821.72	2,32,989.35
Total	**8,65,789.38**	**7,81,996.70**
Segment Revenue		
Ship building*	3,36,556.50	2,95,538.68
Ship Repair*	1,65,630.45	1,86,457.20
Unallocated	40,982.42	38,906.50
Total	**5,43,169.37**	**5,20,902.38**
Segment Result		
Ship building	67,295.41	46,134.73
Ship Repair	42,941.22	72,919.61
Unallocated	(1,095.60)	(2,679.74)
Total	**1,09,141.03**	**1,16,374.60**

Reconciliation of segment results to profit before tax from continuing operations:

(₹ in lakhs)

Particulars	For the year ended	
	As at March 31, 2026	As at March 31, 2025
Amount as per segment results	1,09,141.03	1,16,374.60
Less: Finance Costs	9,237.61	3,857.55
Add: Exceptional items	-	-
Profit before tax from continuing operations	99,903.42	1,12,517.05

The Group has two major business segments -"shipbuilding" and "ship repair". Revenue under shipbuilding includes ₹ 158820.82 Lakhs (previous year: ₹ 206665.27 Lakhs) from two customers (previous year: two customers) having 47.19% revenue of the total Shipbuilding revenue, and for ship repair includes ₹ 100833.29 Lakhs (previous year: ₹ 153005.55 Lakhs) from two customers (previous year: two customers) having 60.88% in total of the total ship repair revenue.

*Out of segment Revenue from Operations, ₹ 156522.58 Lakhs (₹ 72,826.99 Lakhs in previous year) pertain to revenue from export orders.

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for the year ended March 31, 2026

Note 59 : Capital Management

The Group's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The Company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings (including bonds).

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Long term borrowings	2,302.20	2,302.20
Net Debt*	1,09,885.79	6,901.31
Equity Share Capital	13,154.04	13,154.04
Other equity	5,74,121.68	5,44,771.99
Total Equity	5,87,275.72	5,57,926.03
Gearing Ratio	18.71%	1.24%

*Net Debt includes Short term Borrowings of the Company amounting to ₹ 107583.59 Lakhs (previous year ₹ 4599.11)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

Ratios	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% change	Remarks if change is more than 25%
(a) Current Ratio,	Current Assets	Current Liabilities	1.33	1.33	(0.08%)	-
(b) Debt-Equity Ratio,	Total Debt	Shareholder's Equity	0.19	0.01	1413%	Due to short term loans taken during the year
(c) Debt Service Coverage Ratio,	*Earnings available for debt service	Debt Service	1.05	13.85	-92.43%	Due to short term loans taken during the year
(d) Return on Equity Ratio,	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.13	0.16	-19.94%	
(e) Inventory turnover ratio,	Revenue from Operations	Average Inventory	2.40	3.30	(27.24%)	Due to project specific materials and equipment held in stock for the vessels currently at various stages of construction and decrease in turnover
(f) Trade Receivables turnover ratio,	Net Credit Sales	Avg. Accounts Receivable	14.11	13.86	1.80%	
(g) Trade payables turnover ratio,	Net Credit Purchases	Average Trade Payables	3.55	6.26	-43%	Due to decrease in purchases and increase in trade payables during the year

Ratios	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% change	Remarks if change is more than 25%
(h) Net capital turnover ratio,	Net Sales	Working Capital	1.91	2.00	-4.59%	
(i) Net profit ratio,	Net Profits	Net Sales	0.14	0.17	-16.85%	
(j) Return on Capital employed,	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.16	0.21	-26.08%	Due to decrease in Profit and increase in total borrowings due to short term loans taken during the year
(k) Return on investment:						
(1) ROI on Equity Investment	Dividend	Average investment in Equityshares	0.03	0.03	-23.92%	

*Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

*Debt service = Interest & Lease Payments + Principal Repayments

Note 60 : Details of Subsidiaries

Sl No	Name	Relationship	Nature of activity	Principal place of business	As at March 31, 2026 & March 31, 2025 Proportionate ownership in %
1	Hooghly Cochin Shipyard Limited	Subsidiary	Construction of vessels of various types and repairs thereof	Kolkata, India	100%
2	Udupi Cochin Shipyard Limited	Subsidiary	Construction of vessels of various types and repairs thereof	Malpe, India	100%

Note 61 : Summarised financial information of subsidiary Company is as follows:

The amounts disclosed for subsidiary are before inter-Company eliminations

A. HOOGHLY COCHIN SHIPYARD LIMITED

(₹ in lakhs)

Summarised Balance sheet	As at March 31, 2026	As at March 31, 2025
Non-current assets	15,659.34	16,374.32
Current assets	22,111.68	14,188.60
Total Assets	**37,771.02**	**30,562.92**
Non-current liabilities	10,108.42	9,998.45
Current liabilities	23,382.88	14,387.43
Total Liabilities	**33,491.30**	**24,385.88**
Net Assets	**4,279.72**	**6,177.04**
Accumulated NCI	**-**	**-**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Summarised Statement of Profit & Loss	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue	12,255.35	5,775.32
Profit/(Loss) for the year	(1,953.36)	(1,737.67)
Other Comprehensive Income	56.05	(28.38)
Total Comprehensive Income	**(1,897.31)**	**(1,766.05)**
Profit/(Loss) attributable to NCI	**-**	**-**

(₹ in lakhs)

Summarised Cashflows	As at March 31, 2026	As at March 31, 2025
Cashflows from operating activites	(3,026.52)	1,472.35
Cashflows from investing activities	24.35	39.18
Cashflows from financing activities	3,364.46	(370.37)
Net increase/decrease in cash and cash equivalents	**362.29**	**1,141.16**

B. UDUPI COCHIN SHIPYARD LIMITED (Formerly Tebma Shipyard Limited)

(₹ in lakhs)

Summarised Balance sheet	As at March 31, 2026	As at March 31, 2025
Non-current assets	12,579.22	14,251.02
Current assets	42,034.59	38,320.94
Total Assets	**54,613.81**	**52,571.96**
Non-current liabilities	2,156.75	1,696.16
Current liabilities	32,281.79	33,745.69
Total Liabilities	**34,438.54**	**35,441.85**
Net Assets	**20,175.27**	**17,130.11**
Accumulated NCI	**-**	**-**

(₹ in lakhs)

Summarised Statement of Profit & Loss	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue	61,811.64	26,563.60
Profit/(Loss) for the year	9,338.76	262.78
Other Comprehensive Income	(6,321.69)	584.80
Total Comprehensive Income	**3,017.07**	**847.58**
Profit/(Loss) attributable to NCI	**-**	**-**

(₹ in lakhs)

Summarised Cashflows	For the year ended March 31, 2026	For the year ended March 31, 2025
Cashflows from operating activites	7,077.11	(4,329.04)
Cashflows from investing activities	(2,136.90)	(1,931.83)
Cashflows from financing activities	(2,826.91)	4,500.02
Net increase/decrease in cash and cash equivalents	**2,113.30**	**(1,760.85)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 62 : INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013,WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Name of the entity in the group	Net Asset			Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Ownership in % As at March 31, 2026	Proportionate Share	As % of Consolidated Net Asset	Share in Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Consolidated Total Comrpehensive income
Cochin Shipyard Limited	100.00%	589282.84	100.34%	64304.34	89.72%	(10436.30)	62.49%	53868.04	97.99%
Subsidiary									
Hooghly Cochin Shipyard Limited	100.00%	4279.72	0.73%	-1953.36	-2.73%	56.05	-0.34%	-1897.31	-3.45%
Udupi Cochin Shipyard Limited	100.00%	20175.27	3.44%	9338.76	13.03%	(6321.69)	37.85%	3017.07	5.49%
Consolidation adjustments		(26462.11)	-4.51%	(15.79)	-0.02%	0.00	0%	(15.79)	-0.03%
Grand Total		**587275.72**	**100.00%**	**71673.95**	**100.00%**	**(16701.94)**	**100.00%**	**54972.01**	**100.00%**

Note 63 : Consumption of imported goods/services for the year amounts to ₹ 110431.86 Lakhs (₹ 90542.96 Lakhs in previous year)

Note 64 : The Company have used the ERP, SAP S/4HANA as the accounting software for maintaining its books of account, which have a feature of Security audit log and recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective softwares except for the instances mentioned below.

i. The feature of recording audit trail (edit log) facility were enabled for identified database tables to log data changes for the accounting software used for maintaining the books of account. However, any direct data change to SAP database tables are not being carried out.

ii. Security audit log was enabled in the ERP from 2022 onwards.The feature of recording audit trail (edit log) facility of the accounting software was enabled on March, 2024.

Further no instance of audit trail feature being tampered with was noted in respect of the accounting software and records are preserved in compliance with statutory requirements.

Note 65 : No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note 66 : The total Fund Based and Non-Fund based limits sanctioned by various banks under Multiple Banking Arrangement is as follows:

Description	Sanctioned Limit	Utilization As at March 31, 2026		Sanctioned Limit	Utilization As at March 31, 2025	
		Value	% Utilization		Value	% Utilization
Non Fund Based Limit	1692453	1180991.98	69.78%	1692353	1132951.37	66.95%
Bank Gurantees	1420250	1153134.15	81.19%	1410250	1102150.41	78.15%
Letter of Credit	246733	20945.00	8.49%	259133	25539.75	9.86%
Fund Based Limit	228000	107493.18	47.15%	15500	4344.00	28.03%
WCDL	178000*	81421.18	45.74%	15500	4344.00	28.03%
PCFC	50000	26072.00	52.14%	NIL	NIL	NIL

* In the case of Holding Company - Capped to the limit sanctioned by the Board of Directors.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

The Holding Company has no borrowings from banks or financial institutions on the basis of security of current assets and is not required to file any quarterly returns or statements with the banks.

The Hooghly-CSL subsidiary has borrowings from banks on the basis of security of current assets. The Company has complied with the requirement of filing of monthly / quarterly returns/ statements of current assets with the bank or financial institutions as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2026 and March 31, 2025.

The UCSL subsidiary has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.

Note 67 : The Company is not declared wilful defaulter by any bank or financial Institution or other lender.

Note 68 : The Company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 69 : There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

Note 70 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The National Company Law Tribunal, Chennai (NCLT) vide its Order dated September 25, 2018 initiated the Corporate Insolvency Resolution Process (CIRP) of Udupi Cochin Shipyard Limited (UCSL) formerly Tebma Shipyards Limited (TSL) under the Insolvency and Bankruptcy Code, 2016 (IBC). Cochin Shipyard Limited (CSL) submitted the Resolution Plan for acquisition of Tebma Shipyards Ltd to the Committee of Creditors (CoC) in October 2019. The Hon'ble NCLT declared CSL as the Successful Resolution Applicant vide its order dated March 04, 2020. The bid amount of ₹ 65 crs was paid by CSL and a major part of the resolution plan was implemented and accounted for the in the books of Account in FY 2019-20 & 2020-21.

With regard to demand notice issued by various statutory authorities pertaining to period prior to NCLT order, the Company has been directed to file applications for termination of the proceedings before the relevant authorities.

Note 71 : The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosures relating to it are not applicable.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

Note 72 : In the case of contracts/ sub-contracts, wherever final bills are not submitted by the contractors for the work done as at the close of the year, liability is estimated and provided based on the work done.

Note 73 : The Company has made adequate provision towards material foreseeable losses wherever required, in respect of long term contracts. The Company do not have any long term derivative contracts for which there were any material foreseeable losses.

Note 74 : Figures in brackets denote negative figures.

Note 75 : Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year presentation.

Corporate overview and Material Accounting Policies	1 - 3
Notes to the Consolidated Financial Statements	4 - 75

The accompanying notes are an integral part of these Financial Statements

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Annexure

FORM AOC 1

Statement containing salient features of the Financial Statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

Sl No	Particulars	Details	Details
1	Sl No	1	2
2	Name of the subsidiary	Hooghly Cochin Shipyard Ltd	Udupi Cochin Shipyard Ltd
3	The date since when subsidiary was acquired	October 23, 2017	September 15, 2020
4	Reporting Period for the subsidiary concerned, if different from the holding Company's reporting period	No	No
5	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
6	Share Capital	₹14000 Lakhs	₹10800 Lakhs
7	Reserves and Surplus	₹(9720.28) Lakhs	₹9375.27 Lakhs
8	Total Assets	₹ 37771.02 Lakhs	₹54613.81 Lakhs
9	Total Liabilities	₹ 33491.30 Lakhs	₹34438.54 Lakhs
10	Investments	Nil	Nil
11	Turnover	₹12255.35 Lakhs	₹61811.64 Lakhs
12	Profit Before Taxation	₹(1888.39) Lakhs	₹13167.79 Lakhs
13	Provision for taxation		
	(i) Current Tax		
	(ii) Deferred Tax	₹64.97 Lakhs	₹3829.03 Lakhs
14	Profit after taxation	₹(1953.36) Lakhs	₹9338.76 Lakhs
15	Proposed Dividend	Nil	Nil
16	Extent of shareholding (in %)	100%	100%

Part "B": Associates and Joint Ventures :Not applicable

As per our report attached

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Registration No. 05374S

ALEXANDER NALLANICKAL KOSHY
Partner,
Membership No.007448
Kochi, dated May 15, 2026

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
Membership Number- A25337

RAJESH GOPALAKRISHNAN
Director (Technical)
DIN:09576336

Dr HARIKRISHNAN S
Director (Operations)
DIN:10221559
Kochi, dated May 15, 2026

JOSE V J
Director (Finance) & Addl charge of CMD
DIN: 08444440

COCHIN SHIPYARD LIMITED

Corporate Identity Number: L63032KL1972GOI002414
Registered Office: Administrative Building, Cochin Shipyard Premises
Perumanoor, Ernakulam, Kerala – 682015
Tel: +91 (484) 2501306 **E-mail:** secretary@cochinshipyard.in **Website:** www.cochinshipyard.in

NOTICE

Notice is hereby given that the 54th Annual General Meeting (AGM) of Cochin Shipyard Limited (CSL) will be held on Tuesday, September 29, 2026 at 11:00 hrs. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors' and the Auditors' thereon.

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2026, together with the Report of the Auditors' thereon.

3. To confirm the payment of first interim dividend of ₹4.00 (80%) per equity share and second interim dividend of ₹3.50 (70%) per equity share and to declare final dividend of ₹1.50 (30%) per equity share (face value of ₹5) for the financial year 2025-26.

4. To appoint a Director in place of Dr. Harikrishnan S (DIN: 10221559), who retires by rotation and being eligible, offers himself for re-appointment.

5. To authorise the Board of Directors to fix the remuneration of the auditors appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2026-27.

Special Business

6. **Approval of appointment of Shri Mukesh Mangal ITS (DIN: 10460089) as Part-time Official (Nominee) Director**

   To consider and if thought fit, to pass the following resolution as ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions, if any, of the Companies Act, 2013 read with Rules, if any, made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Shareholders be and is hereby accorded for the appointment of Shri Mukesh Mangal ITS (DIN: 10460089), Additional Secretary, Ministry of Ports, Shipping and Waterways, Government of India, as a Part-time Official (Nominee) Director on the Board of the Company, in place of Shri Venkatesapathy S IAS (DIN: 07407879), Joint Secretary, Ministry of Ports, Shipping and Waterways, Government of India, by the President of India through the Ministry of Ports, Shipping and Waterways letter No. SY-11012/1/2017-CSL dated July 17, 2026 under Section 161(3) of the Companies Act, 2013 read with Articles 21(a) and 21(c) of the Articles of Association of the Company, with effect from July 17, 2026 until further orders and on the terms and conditions as stipulated by the Government of India."

7. **Approval of appointment of Smt. Anupama T. V. IAS (DIN:06932600) as Part-time Official (Nominee) Director**

   To consider and if thought fit, to pass the following resolution as ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions, if any, of the Companies Act, 2013 read with Rules, if any, made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Shareholders be and is hereby accorded for the appointment of Smt. Anupama T. V. IAS (DIN: 06932600), Secretary, Transport Department, Government of Kerala, as a Part-time Official (Nominee) Director on the Board of the Company, in place of Shri P B Nooh IAS (DIN: 09701541), former Special Secretary, Transport Department, Government of Kerala, by the President of India through the Ministry of Ports, Shipping and Waterways letter No. SY-11012/1/2017-CSL dated July 17, 2026 under Section 161(3) of the Companies Act, 2013 read with Articles 21(a) and 21(c) of the Articles of Association of the Company, with effect from July 17, 2026 until further orders and on the terms and conditions as stipulated by the Government of India."

8. **Approval of appointment of Dr. Vani Ahluwalia (DIN: 11754971) as Non-official (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and Regulations 17 and 25(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Shareholders be and is hereby accorded for the appointment of Dr. Vani Ahluwalia (DIN: 11754971) as a Non-official (Independent) Director on the Board of the Company by the President of India through the Ministry of Ports, Shipping and Waterways letter No. SY-11012/1/2016-CSL dated August 17, 2026 under Articles 21(a) and 21(c) of the Articles of Association of the Company, for a period of three years with effect from August 17, 2026 till August 16, 2029 or until further orders of the Government of India, whichever is earlier."

9. **Ratification of Remuneration of Cost Auditors**

To consider and if thought fit, to pass the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹2,00,000/- (Rupees Two Lakhs Only) per annum plus applicable taxes payable to M/s. BBS & Associates, Cost Accountants, Kochi (Firm Registration No.: 00273), who are appointed by the Board of Directors as Cost Auditors of the Company to conduct audits relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2026–27, be and is hereby ratified."

By Order of the Board of Directors

Syamkamal N
Company Secretary
M. No. A25337

Kochi
September 04, 2026

Notes:

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 03/2025 dated September 22, 2025 read with General Circular No. 20/2020 dated May 05, 2020 and all other relevant Circulars issued from time to time (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, the MCA Circulars and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 54^{th} AGM of the Company is being held through VC/ OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.

2. The attendance of the Shareholders in the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

3. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice.

4. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), in respect of Directors seeking appointment/ re-appointment at this AGM is annexed to this Notice.

5. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with and hence the facility for appointment of proxies by the Members will not be available for the AGM. Therefore, the proxy form, attendance slip and route map are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.

6. Annual Report for the year 2025-26 including the audited financial statements for the year ended March 31, 2026, is being sent by e-mail to those Members whose e-mail addresses are registered with National Securities Depository Limited ("NSDL") or Central Depository Services (India) Limited ("CDSL") ("Depositories") or the Company. For those Members who have not registered their e-mail addresses, a letter containing the web-link of the Annual Report is being sent by post. Further, the hard copies of the same would also be made available to the Members on request. Members may forward their request for hard copy to secretary@cochinshipyard.in. Members may note that the Notice and Annual Report 2025-26 will also be available on the Company's website www.cochinshipyard.in, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL at www.evotingindia.com.

7. Members who have not yet registered/ updated their e-mail addresses are requested to register/ update the same with their Depository Participants to enable the Company/ RTA to send communications through e-mail.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC etc. to their Depository Participants only.

9. As per the provisions of Section 72 of the Companies Act, 2013, the facility for recording a new nomination or a fresh nomination by cancelling the earlier nomination, is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination or who are desirous of changing the nomination are requested to approach their Depository Participants and follow the procedure advised by them.

10. SEBI has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. After exhausting the option to resolve the grievances with the Company/ RTA directly and through the SCORES Portal, the investors can initiate dispute resolution through the ODR Portal, which can be accessed at https://smartodr.in/login.

11. **Dividend**

    (i) The final dividend for the financial year 2025-26, as recommended by the Board of Directors, if approved at the AGM, will be paid, subject to deduction of tax at source, by October 28, 2026 i.e., within 30 days from the date of approval. The Company has fixed Friday, September 18, 2026 as the Record Date for determining entitlement of Members to receive the dividend, if approved at the AGM.

(ii) Company will be making the dividend payment only by electronic mode as mandated by SEBI. Members may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Hence, Members who have not yet registered/ updated their bank particulars are requested to register/ update their full/ correct bank account details (Bank Account Number, Name of the Bank, Branch, IFSC, MICR code etc.) to which the dividend is to be received with their Depository Participants immediately. The Company or its RTA cannot act on any request received directly from the Members for any update/ change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members.

(iii) As per the Income Tax Act, 2025, as amended ("Income Tax Act"), dividend paid and distributed by a Company will be taxable in the hands of Shareholders with effect from April 01, 2026. Therefore, the Company will be required to deduct taxes at source (TDS) at the rates applicable to each category of Shareholder under the provisions of the Income Tax Act. In order to enable us to determine the applicable TDS rate, Members are requested to submit the relevant documents latest by September 18, 2026 at the portal of the Company's RTA, MUFG Intime India Private Limited (formerly Link Intime India Private Limited) at https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html. The detailed communication regarding TDS on dividend inter alia including the documents to be submitted is available in the Company's website at the link https://cochinshipyard.in/investor/investor_titles/58. **Documents submitted through e-mail or any other form will not be considered**.

(iv) **No communication on the tax determination/ deduction shall be considered after September 18, 2026.**

12. **Unclaimed Dividend**

(i) Members are hereby informed that under the Companies Act, 2013, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ("IEPF") established by the Central Government. The details of such unclaimed dividends that are liable to be transferred to IEPF are available at the Company's website at the link https://cochinshipyard.in/investor/investor_titles/58.

(ii) Further, pursuant to the provisions of Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all the shares on which dividend remain unpaid/ unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Hence, the Company urges all the Shareholders to encash/ claim their respective dividend within the prescribed period.

(iii) The Final Dividend declared for the financial year 2018-19, is due to be credited to the IEPF within 30 days from the due date of September 13, 2026. The corresponding shares on which dividends remain unclaimed for seven consecutive years will also be transferred to the demat account of the IEPF Authority. Hence, Members are requested to claim the said unpaid dividend on or before September 06, 2026 by forwarding a request letter along with the client master list having the updated bank account details (including the IFS code) to which the said dividend has to be credited, to the Company's RTA MUFG Intime India Private Limited (formerly Link Intime India Private Limited), failing which the said dividend along with the corresponding shares shall be transferred to IEPF at an appropriate date without any further notice and no claims thereafter shall lie against the Company. The list of shareholders whose shares/ dividend are due for transfer to IEPF are available in the Company's website at the link https://cochinshipyard.in/investor/investor_titles/58.

(iv) Please note that the Shareholders can claim the dividend/ shares transferred to IEPF by following the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection to the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to secretary@cochinshipyard.in.

14. Members are requested to send all communications relating to shares to the Company's Registrar and Transfer Agents ("RTA") at the following address:

    MUFG Intime India Private Limited

    (formerly Link Intime India Private Limited)

    Surya 35, Mayflower Avenue

    Behind Senthil Nagar, Sowripalayam Road

    Coimbatore, Tamil Nadu – 641028

    Phone: +91 (422) 2314792, 4958995

    E-mail: investor.helpdesk@in.mpms.mufg.com

15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as the e-voting system on the date of the AGM will be provided by CDSL.

16. The Board of Directors of the Company has appointed CS Sreekumar P. S. (FCS No. 8130, CP No. 8067) Partner, M/s. SVJS & Associates, Practising Company Secretaries, Kochi, as the Scrutiniser for conducting the e-voting process in a fair and transparent manner.

17. **Instructions to Shareholders for remote e-voting**

    (i) The remote e-voting period begins on Saturday, September 26, 2026 at 09:00 hrs. and ends on Monday, September 28, 2026 at 17:00 hrs. The remote e-voting module shall be disabled by CDSL for voting thereafter. The Members whose names appear in the Depositories' records as on the cut-off date, Tuesday, September 22, 2026, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, September 22, 2026. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

    (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting.

    (iii) Process and manner of voting by electronic means

    A. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode

    Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on 'e-Voting Facility Provided by Listed Entities', e-Voting process has been enabled to all the individual demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider (ESP), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participants to access e-Voting facility.

    In terms of the said SEBI Circular, login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with **CDSL Depository**	1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and My Easi New (Token) Tab. 2. After successful login, the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting the vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting Service Providers' website directly.

<table>
<tr><th>Type of Shareholders</th><th>Login Method</th></tr>
<tr><td></td><td>3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and My Easi New (Token) Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from the e-Voting link available on the home page of CDSL website www.cdslindia.com. The system will authenticate the user by sending OTP on registered mobile and e-mail as recorded in the demat account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</td></tr>
<tr><td>Individual Shareholders holding securities in demat mode with NSDL Depository</td><td>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the URL https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting Service Provider name and you will be re-directed to e-Voting Service Provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.
3. Visit the e-Voting website of NSDL. Open web browser by typing the URL https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting Service Provider name and you will be redirected to e-Voting Service Provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
4. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN, Verification Code and generate OTP. Enter the OTP received on registered e-mail id/ mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting Service Provider name and you will be re-directed to e-Voting Service Provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</td></tr>
<tr><td>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</td><td>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting Service Provider name and you will be redirected to e-Voting Service Provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</td></tr>
</table>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website(s).

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.
Individual Shareholders holding securities in demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or contact at 022 – 4886 7000 and 022 – 2499 7000.

B. Login Method for e-Voting and joining virtual meeting for non-individual Shareholders holding shares in demat mode

(i) The Shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on "Shareholders" module.

(iii) Now enter your User ID

(a) For CDSL: 16 digits Beneficiary ID

(b) For NSDL: 8 character DP ID followed by 8 digits Client ID

(iv) Next enter the Image Verification as displayed and click on Login.

(v) If you are holding shares in demat mode and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first-time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department • Shareholders who have not updated their PAN with the Depository Participant are requested to contact Company/ RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account in order to login. • If both the details are not recorded with the Depository, please enter the Member ID in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) Click on the EVSN for Cochin Shipyard Limited.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then enter the User ID and the Image Verification Code and click on Forgot Password and enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to Scrutiniser for verification.

(xvii) Additional facility for Non-Individual Shareholders and Custodians – For Remote e-Voting only

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
- It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutiniser to verify the same.
- Alternatively, Non-Individual Shareholders are mandatorily required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser by e-mail to sreekumar@svjs.in and to the Company at the e-mail address secretary@cochinshipyard.in, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the Scrutiniser to verify the same.

18. **Instructions for Shareholders attending the AGM through VC/ OAVM and e-Voting during the meeting**

(i) The procedure for attending the meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for e-Voting.

(ii) The link for VC/ OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-Voting.

(iii) The facility for joining the AGM through VC/ OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for the Shareholders on first come first serve basis.

(iv) Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

(v) Shareholders are encouraged to join the meeting through laptops/ iPads for better experience.

(vi) Further, Shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

(vii) Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

(viii) Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, demat account no. and mobile no. at secretary@cochinshipyard.in from September 21, 2026 (08.00 hrs.) to September 23, 2026 (16:00 hrs.). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

(ix) Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. Relevancy of the question and the order of speakers will be decided by the Chairman.

(x) Members seeking any information with regard to annual accounts at the time of Meeting are requested to send their queries to the Company at least seven days before the date of Meeting so as to enable the management to keep the information ready.

(xi) Only those Shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

(xii) **Process for those Shareholders whose e-mail/ mobile no. are not registered with the Depositories**

(a) For Demat Shareholders: Please update your e-mail id and mobile no. with your respective Depository Participant.

(b) **For Individual Demat Shareholders: Please update your e-mail id and mobile no. with your respective Depository Participant which is mandatory while e-Voting and joining virtual meetings through Depository.**

19. If you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting System, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

20. All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, AVP, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

21. **Other Instructions**

(i) Persons who have acquired shares and become Members of the Company after the dispatch of Notice and hold shares as on cut-off date of September 22, 2026, may obtain the Notice and e-voting instructions by sending request to the Company's RTA, MUFG Intime India Private Limited (formerly Link Intime India Private Limited) at their e-mail address investor.helpdesk@in.mpms.mufg.com or download Notice and e-voting instructions from www.evotingindia.com or Company's website www.cochinshipyard.in.

(ii) The results declared along with the Scrutiniser's Report, will be placed on the website of the Company www.cochinshipyard.in and on the website of CDSL www.evotingindia.com immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed viz., BSE Limited and National Stock Exchange of India Limited. The results shall also be displayed on the notice board at the Registered Office of the Company.

22. Please note that all the equity shares of Cochin Shipyard Limited are held in dematerialized (Demat) form. Accordingly, instructions and information relating to physical shareholding, including procedures for updating KYC details, registration of transfer, voting, attending the AGM and other related matters, are not applicable and have therefore not been included in this Notice.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6

As per Article 21 of the Articles of Association of the Company, the President of India has the power to appoint the Directors on the Board of the Company. Accordingly, the President of India through the Ministry of Ports, Shipping and Waterways (letter No. SY-11012/1/2017-CSL dated July 17, 2026) appointed Shri Mukesh Mangal ITS (DIN: 10460089), Additional Secretary, Ministry of Ports, Shipping and Waterways, Government of India, as a Part-time Official (Nominee) Director on the Board of the Company, in place of Shri Venkatesapathy S IAS (DIN: 07407879), Joint Secretary, Ministry of Ports, Shipping and Waterways, Government of India, under Section 161(3) of the Companies Act, 2013, with effect from July 17, 2026 until further orders.

Shri Mukesh Mangal ITS is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and also not disqualified from holding the office of Director under Section 164 of the Companies Act, 2013. His brief resume containing qualification, expertise etc. is annexed herewith.

As per Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the first proviso thereto, the Company is required to obtain the approval of the Shareholders at the next general meeting.

Shri Mukesh Mangal ITS and his relatives are interested in the resolution to the extent as it concerns his appointment. None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no. 6 of the Notice.

The Board accordingly recommends the resolution set out in item no. 6 of the Notice for the approval of the Shareholders of the Company by way of an ordinary resolution.

Item No. 7

As per Article 21 of the Articles of Association of the Company, the President of India has the power to appoint the Directors on the Board of the Company. Accordingly, the President of India through the Ministry of Ports, Shipping and Waterways (letter No. SY-11012/1/2017-CSL dated July 17, 2026) appointed Smt. Anupama T. V. IAS (DIN: 06932600), Secretary, Transport Department, Government of Kerala, as a Part-time Official (Nominee) Director on the Board of the Company, in place of Shri P B Nooh IAS (DIN: 09701541), former Special Secretary, Transport Department, Government of Kerala, under Section 161(3) of the Companies Act, 2013, with effect from July 17, 2026 until further orders.

Smt. Anupama T. V. IAS is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and also not disqualified from holding the office of Director under Section 164 of the Companies Act, 2013. Her brief resume containing qualification, expertise etc. is annexed herewith.

As per Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the first proviso thereto, the Company is required to obtain the approval of the Shareholders at the next general meeting.

Smt. Anupama T. V. IAS and her relatives are interested in the resolution to the extent as it concerns her appointment. None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no. 7 of the Notice.

The Board accordingly recommends the resolution set out in item no. 7 of the Notice for the approval of the Shareholders of the Company by way of an ordinary resolution.

Item No. 8

As per Article 21 of the Articles of Association of the Company, the President of India has the power to appoint the Directors on the Board of the Company. Accordingly, Dr. Vani Ahluwalia (DIN: 11754971) was appointed as a Non-official (Independent) Director of the Company vide Ministry of Ports, Shipping and Waterways, Government of India letter No. SY-11012/1/2016-CSL dated August 17, 2026, for a period of three years with effect from August 17, 2026 till August 16, 2029 or until further orders of the Government of India, whichever is earlier, by following a prescribed procedure for selection and appointment.

Dr. Vani Ahluwalia has given a declaration to the Board that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Further, she is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and also not disqualified from holding the office of Director under Section 164 of the Companies Act, 2013. Her brief resume containing qualification expertise etc. is annexed herewith.

Dr. Vani Ahluwalia and her relatives are interested in the resolution to the extent as it concerns her appointment. None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no. 8 of the Notice.

Dr. Vani Ahluwalia would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof where she is a member.

The Board accordingly recommends the resolution set out in item no. 8 of the Notice for the approval of the Shareholders of the Company by way of a special resolution.

Item No. 9

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

In view of the above, the Board of Directors of the Company at their meeting held on August 14, 2026 has appointed M/s. BBS & Associates, Cost Accountants (Firm Registration No.: 00273), as the Cost Auditors of the Company for the financial year 2026-27 at a remuneration of ₹2,00,000/- (Rupees Two Lakhs Only) per annum plus applicable taxes. As per Section 148(3) of the Companies Act, 2013, the remuneration of Cost Auditors is required to be ratified by the Shareholders.

M/s. BBS & Associates have consented to their appointment as Cost Auditors of the Company for the financial year 2026-27 and has confirmed that they satisfy the eligibility conditions as prescribed under the Companies Act, 2013. They have conducted the audit of the cost records of the Company earlier and have the relevant experience in the field of cost audit. Their performance during past engagements has been found to be satisfactory.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no. 9 of the Notice.

The Board accordingly recommends the resolution set out in item no. 9 of the Notice for the approval of the Shareholders of the Company by way of an ordinary resolution.

By Order of the Board of Directors

Syamkamal N
Company Secretary
M. No. A25337

Kochi
September 04, 2026

Registered Office
Administrative Building
Cochin Shipyard Premises
Perumanoor, Ernakulam, Kerala – 682015
CIN: L63032KL1972GOI002414
Tel: +91 (484) 2501306
E-mail: secretary@cochinshipyard.in
Website: www.cochinshipyard.in

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 54TH AGM [PURSUANT TO REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS]

Name and DIN	Dr. Harikrishnan S (DIN: 10221559)
Age and Date of Birth	57 years, May 29, 1969
Date of first appointment on the Board	August 27, 2025
Qualifications	Dr. Harikrishnan S holds a Bachelor of Technology degree in Mechanical Engineering, a Master of Technology degree in Production Engineering, an MBA in International Business and a Doctorate (PhD) in Mechanical Engineering.
Expertise in specific functional areas	Dr. Harikrishnan S has nearly three decades of experience in the Company, wherein he was involved in a wide range of functions in shipbuilding and ship repair including design, inspection & quality control, production, procurement, planning & project management.
Terms and conditions of appointment/ re-appointment	Dr. Harikrishnan S was appointed as Director (Operations) of CSL on August 27, 2025 pursuant to letter No.01/03/2025-EO(ACC) dated August 21, 2025 issued by the Secretariat of the Appointments Committee of the Cabinet, Department of Personnel & Training, communicated to the Company through e-mail by the Ministry of Ports, Shipping and Waterways on August 27, 2025. The terms and conditions of his employment including remuneration are prescribed by the Government of India, in line with the applicable DPE Guidelines.
Disclosure of relationship between Directors and Key Managerial Personnel, inter-se	Nil
Details of remuneration last drawn (FY 2025-26)	₹63.82 Lakhs (includes the remuneration paid to him during FY 2025-26 in an executive capacity (E-9 Level) with the Company prior to his appointment as Director (Operations) on August 27, 2025).
Directorships in other Companies including listed entities	• Hooghly Cochin Shipyard Limited (Hooghly-CSL) (wholly owned subsidiary of CSL); • Udupi Cochin Shipyard Limited (Udupi-CSL) (wholly owned subsidiary of CSL); • India Ship Technology Centre (A Section 8 Company); and • Green Maritime Propulsion Private Limited (JV Company formed by CSL and HBL Engineering Limited).
Listed entities from which the Director has resigned from Directorship since last three years	Nil
Membership/ Chairmanship of Committees in other Companies including listed entities	Nil
No. of Board Meetings attended during the Financial Year 2025-26	4/4
No. of equity shares held in the Company:	
(a) Own	240
(b) For other persons on a beneficial basis	Nil

Name and DIN	Shri Mukesh Mangal ITS (DIN: 10460089)
Age and Date of Birth	57 years, November 06, 1968
Date of first appointment on the Board	July 17, 2026
Qualifications	Shri Mukesh Mangal belongs to the Indian Telecom Service (ITS) of 1992 batch and holds a Degree of Bachelor of Technology in Electronics and Communications.
Expertise in specific functional areas	Shri Mukesh Mangal ITS is serving as Additional Secretary in the Ministry of Ports, Shipping and Waterways (MoPSW), Government of India heading Vigilance, Shipping Unit & Sagarmala Wing including development of National Maritime Heritage Complex. In the past he has worked in the Department of Telecommunications and Ministry of Home Affairs. He has work experience of more than 33 years in the subjects like internal security, cyber security and cyber-crime, telecommunication technology, lighthouses etc. He has been instrumental in establishing various national level security projects in the field of cyber-security, Sanchar Saathi portal and digital intelligence platform to curb misuse of telecom resources in cyber-crime.
Terms and conditions of appointment/ re-appointment	Shri Mukesh Mangal ITS was appointed as a Part-time Official (Nominee) Director on the Board of the Company, in place of Shri Venkatesapathy S IAS, under Section 161(3) of the Companies Act, 2013 by the Ministry of Ports, Shipping and Waterways, Government of India vide letter No. SY-11012/1/2017-CSL dated July 17, 2026, with effect from July 17, 2026 until further orders. The terms and conditions regulating his appointment are determined by the Government of India.
Disclosure of relationship between Directors and Key Managerial Personnel, inter-se	Nil
Details of remuneration last drawn (FY 2025-26)	Nil. No remuneration is paid to the Government Nominee Directors.
Directorships in other Companies including listed entities	• Shipping Corporation of India Limited; • Sagarmala Finance Corporation Limited; • Indian Port Rail & Ropeway Corporation Limited; • SCI Bharat IFSC Limited; • India LNG Transport Company No.3 Limited; • India LNG Transport Company No.4 Private Limited; • India LNG Transport Company No.1 Limited; and • India LNG Transport Company No.2 Limited.
Listed entities from which the Director has resigned from Directorship since last three years	Nil
Membership/ Chairmanship of Committees in other Companies including listed entities	Nil
No. of Board Meetings attended during the Financial Year 2025-26	N.A.
No. of equity shares held in the Company:	
(a) Own	Nil
(b) For other persons on a beneficial basis	Nil

Name and DIN	Smt. Anupama T. V. IAS (DIN: 06932600)
Age and Date of Birth	39 years, October 17, 1986
Date of first appointment on the Board	July 17, 2026
Qualifications	Smt. Anupama T. V. is a 2010-batch Indian Administrative Service (IAS) officer of the Kerala cadre. She is an Electronics Engineering graduate from BITS Pilani (Goa Campus) and a Master in Public Administration from Harvard University.
Expertise in specific functional areas	Smt. Anupama T. V. IAS is serving as the Secretary, Transport Department, Government of Kerala and also holds full additional charge of Airports; Metro Rail; and Personnel and Administrative Reforms (Official Language) Departments of the Government of Kerala. She has previously served in several key administrative positions in the Government of Kerala, including District Collector of Thrissur and Alappuzha, Food Safety Commissioner, Director of Tourism, Director of Scheduled Tribes Development, Land Revenue Commissioner and Secretary, Local Self Government Department (LSGD).
Terms and conditions of appointment/ re-appointment	Smt. Anupama T. V. IAS was appointed as a Part-time Official (Nominee) Director on the Board of the Company, in place of Shri P B Nooh IAS, under Section 161(3) of the Companies Act, 2013 by the Ministry of Ports, Shipping and Waterways, Government of India vide letter No. SY-11012/1/2017-CSL dated July 17, 2026, with effect from July 17, 2026 until further orders. The terms and conditions regulating her appointment are determined by the Government of India.
Disclosure of relationship between Directors and Key Managerial Personnel, inter-se	Nil
Details of remuneration last drawn (FY 2025-26)	Nil. No remuneration is paid to the Government Nominee Directors.
Directorships in other Companies including listed entities	• Kochi Metro Rail Limited; • Kochi Water Metro Limited; and • Kerala Transport Development Finance Corporation Ltd.
Listed entities from which the Director has resigned from Directorship since last three years	Nil
Membership/ Chairmanship of Committees in other Companies including listed entities	Nil
No. of Board Meetings attended during the Financial Year 2025-26	N.A.
No. of equity shares held in the Company:	
(a) Own	Nil
(b) For other persons on a beneficial basis	Nil

Name and DIN	Dr. Vani Ahluwalia (DIN: 11754971)
Age and Date of Birth	54 years, February 19, 1972
Date of first appointment on the Board	August 17, 2026
Qualifications	Dr. Vani Ahluwalia holds an MBBS from Dr. Panjabrao Alias Bhausaheb Deshmukh Memorial Medical College, Amravati, a Post Graduate Diploma in HIV and Family Education (DAFÉ) from IGNOU, a Post Graduate Diploma in International Human Rights from the University of Delhi and an LLB from Rani Durgavati Vishwavidyalaya, Jabalpur.

Name and DIN	Dr. Vani Ahluwalia (DIN: 11754971)
Expertise in specific functional areas	Dr. Vani Ahluwalia, with over 25 years of professional experience, currently serves as Senior Medical Officer at the ART Plus Centre, NSCB Medical College, Jabalpur, under the Madhya Pradesh State AIDS Society, and has previously served at the Tropical Forest Research Institute and J.K. Hospital, Jabalpur. She also serves as Managing Partner of JK Celebration and Ahluwalia Hospitality LLP, with experience in strategic decision-making, financial planning and business management. She has held several leadership positions in the social and public sectors, including National Secretary of Ekal Arogya Prakalp (2020–2021), National Executive Committee Member of the Arogya Foundation of India since 2016, and Trustee and Vice President of Vishwa Hindu Parishad (Mahakaushal Prant) from 2021 to 2024. She has contributed to rural healthcare, telemedicine and COVID-19 response initiatives and has also served as a G20 Speaker. Her areas of expertise include healthcare management, medical administration, public health programme delivery, legal and regulatory matters, organisational governance, strategic planning, stakeholder engagement and community development
Terms and conditions of appointment/ re-appointment	Dr. Vani Ahluwalia was appointed as a Non-official (Independent) Director of the Company vide Ministry of Ports, Shipping and Waterways, Government of India letter No. SY-11012/1/2016-CSL dated August 17, 2026, for a period of three years with effect from August 17, 2026 till August 16, 2029 or until further orders of the Government of India, whichever is earlier. The terms and conditions regulating her appointment are determined by the Government of India.
Disclosure of relationship between Directors and Key Managerial Personnel, inter-se	Nil
Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements	Please refer to the section on Skills/ Expertise/ Competencies of the Board of Directors in the Corporate Governance Report.
Details of remuneration last drawn (FY 2025-26)	N.A. Independent Directors are paid sitting fees for attending Board/ Committee Meetings (₹30,000 per Meeting at present) and reimbursement of expenses incurred for attending such Meetings, if any.
Directorships in other Companies including listed entities	Nil
Listed entities from which the Director has resigned from Directorship since last three years	Nil
Membership/ Chairmanship of Committees in other Companies including listed entities	Nil
No. of Board Meetings attended during the Financial Year 2025-26	N.A.
No. of equity shares held in the Company:	
(a) Own	Nil
(b) For other persons on a beneficial basis	Nil

COCHIN SHIPYARD LIMITED

REGISTERED OFFICE

Administrative Building
Cochin Shipyard Premises
Perumanoor, Kochi – 682 015
Kerala, India
CIN: L63032KL1972GOI002414
Website: www.cochinshipyard.in